ValueChaser

RXO, Inc.

Company Diagnostic

Executive Business Intelligence Report

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Executive Summary

RXO's $100.0M net loss in FY2025 was driven primarily by $72.0M in non-cash integration, restructuring, and impairment charges following the Coyote acquisition, masking an underlying operational challenge: adjusted operating margin of -0.1% reflects freight market softness and a $137.8M SG&A cost structure that trails peers by 2.4 percentage points, requiring immediate post-merger integration completion and cost rationalization to restore profitability.

RXO reported revenue of $5.74B in FY2025, up 26.2% from $4.55B in FY2024, driven primarily by the September 2024 acquisition of Coyote Logistics, which added $1.2B in truck brokerage revenue [10K '25].

However, the company posted a GAAP operating loss of -$79.0M (-1.4% operating margin) and net loss of -$100.0M (-1.7% net margin), heavily weighed by $72.0M in exceptional items comprising restructuring costs, transaction and integration fees, and $12.0M in goodwill impairment [10K '25]. Excluding these non-recurring charges, adjusted operating income was -$7.0M (-0.1% adjusted operating margin), indicating that core operations remain unprofitable despite scale expansion. The root cause is a cost structure that significantly exceeds peer benchmarks. SG&A expense stood at $832.0M (14.5% of revenue), trailing the 3PL industry median of 12.1% by 2.4 percentage points [EST]. This $137.8M (observed gap; the addressable estimate in the value bridge is $55.1M) gap reflects redundant corporate overhead, overlapping brokerage branches, and incomplete Coyote integration [CALC¹]. Gross margin of 16.4% ($941.0M) sits marginally below the sector median of 16.8%, indicating limited pricing power in a freight market where carrier capacity tightened in 2025, compressing brokerage spreads [10K '25]. EBITDA margin collapsed to 0.6%, well below the 5.3% industry median, reflecting both margin compression and the elevated cost base [CALC²]. Working capital efficiency is a secondary but material concern. Days Sales Outstanding (DSO) reached 77.9 days, trailing the sector median of 55.0 days by 22.9 days and tying up $360.3M in excess receivables [EST]. This reflects billing and collections delays across the newly acquired Coyote customer base and indicates a one-time cash release opportunity of $360.3M if DSO can be normalized [CALC³]. Conversely, Days Payable Outstanding (DPO) of 41 days matches the top-quartile benchmark, providing favorable supplier credit terms [BM]. Liquidity and leverage are currently manageable but require attention. The company maintains a current ratio of 1.27x, in line with the sector median of 1.3x, and a debt-to-equity ratio of 0.39x, above the median of 0.26x [10K '25].

However, Net Debt to EBITDA spiked to 15.62x on $595.0M of total debt against depressed EBITDA, creating financial risk that warrants monitoring CALC⁴. Free cash flow turned negative at -$8.0M despite positive operating cash flow of $51.0M, as capital expenditure of $59.0M exceeded the operating cash generation 10K '25. The strategic priority is immediate: complete Coyote integration, eliminate the $72.0M in non-recurring charges, and rationalize the $137.8M SG&A excess through consolidation of corporate functions, branch rationalization, and system unification. Simultaneously, execute an accounts receivable optimization program to unlock $360.3M in working capital cash. These actions, if executed within 12-18 months, can move adjusted operating margin from -0.1% toward the sector median of 2.3%, restoring stakeholder confidence and de-leveraging the balance sheet.

Key Strengths:

- Scale expansion via Coyote acquisition: Revenue reached $5.74B in FY2025, with truck brokerage revenue of $4.22B (+39.5% YoY), positioning RXO as a scaled brokerage competitor 10K '25.
- Favorable supplier credit terms: Days Payable Outstanding (DPO) of 41 days matches the top-quartile 3PL benchmark, providing working capital flexibility and supplier relationship strength BM.
- Last-mile growth momentum: Last Mile revenue expanded to $1.20B (+13.4% YoY) with 13% volume growth in big-and-bulky deliveries, capturing demand in a market forecast to grow 5.1% CAGR through 2027 MI; MI.
- Proprietary digital platform: RXO Connect platform with machine learning capabilities, Freight Optimizer, and real-time freight transaction and tracking functionality provides competitive advantage in automated brokerage and pricing 10K '25.
- Adequate liquidity: Current ratio of 1.27x and quick ratio of 1.27x maintain short-term solvency with $1.32B in current assets against $1.04B in current liabilities 10K '25.

HOW TO READ THIS REPORT

The **Business Health Score** rates six dimensions (0–100) against a curated peer benchmark set calibrated to this company's sector, geography, and revenue tier. A score of 50 represents the industry median — scores above 65 indicate top-quartile performance. The **Value Creation Roadmap** surfaces only initiatives where this company trails its peer benchmark; each dollar estimate is derived from the company's own filed financials, not market averages. Benchmark methodology and peer set details are in the Appendix.

Verified Financial Summary

REVENUE	GROSS MARGIN	OPERATING MARGIN	NET INCOME
$5.7B	**16.4%**	**-1.4%**	**-$100.0M**
NET MARGIN	TOTAL ASSETS	TOTAL DEBT	
-1.7%	**$3.3B**	**$595.0M**	

EXTENDED METRICS

Free Cash Flow	Operating Cash Flow	Capital Expenditure	Current Ratio
-$8.0M	**$51.0M**	**$59.0M**	**1.27x**
Depreciation	Interest Expense	Total Equity	Impairment Charges
$116.0M	**$35.0M**	**$1.5B**	**$12.0M**

Source: Filed financial statements (1 document analyzed) Currency: USD

Benchmark Gaps and Value Creation Hypotheses

2 benchmark gaps for RXO, Inc. quantified against the sector median on the company's own filed revenue. Each figure is the observed gap, not a savings estimate: the addressable share depends on business model, footprint and cost classification versus the peer set and is presented below as an estimate with the questions that would test it. Directional initiatives that need further data are listed separately. Observed gap, sum of additive levers: **$173.8M**. Addressable estimate: **$91.1M** EST. Risk-adjusted value: **$54.7M** (feasibility-weighted on a 1-5 scale: 5/5 = full impact, 4/5 = 80%, 3/5 = 60%, etc.).

Priority Score Methodology: Each initiative is scored on two dimensions: **Impact** (estimated dollar value, scored 0–100) and **Feasibility** (implementation complexity and timeline, scored 1–5 where 5 = most feasible). Priority Score = Impact (0–100) × Feasibility (1–5) ÷ 5. Feasibility is derived from implementation complexity: Low = 5, Medium = 3, High = 2. A higher score indicates greater value with lower execution risk. Risk-adjusted value is feasibility-weighted on a 1-5 scale (5/5 = full impact, 4/5 = 80%, 3/5 = 60%, etc.).

Observed Benchmark Gaps

1. Coyote Logistics Synergies & SG&A Overhead Rationalization

18 months

SG&A as a percent of revenue of 14.5% trails the sector median of 12.1% by 2.4 points: an observed gap of $137.8M, of which $55.1M (40%) is treated as addressable EST. RXO's SG&A expense stands at $832.0M (14.5% of revenue), significantly exceeding the 3PL industry median of 12.1% by 2.4 percentage points EST. The $137.8M gap reflects redundant corporate functions, overlapping regional brokerage branches, and incomplete integration of Coyote's operations onto RXO's proprietary Connect platform 10K '25. The addressable portion of this gap, estimated at 40% ($55.1M EST), can be captured through targeted consolidation and rationalization.

Industry Context: SG&A as a percent of revenue: 14.5% versus proprietary P50 12.1% (medium confidence). 2.4pt SGA excess × $5742.0M revenue ÷ 100 = $137.8M observed gap; addressable at 40% = $55.1M (estimate)

Strategic Value: Observed gap to the sector median: **$137.8M**; addressable estimate **$55.1M** (40% of the observed gap) EST. Indicative investment $25.0M over 18 months (5mo payback on the addressable estimate). The addressable share is a hypothesis to be tested in diligence, not a quantified saving.

CALCULATION BASIS

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2.4pt SGA excess × $5742.0M revenue ÷ 100 = $137.8M observed gap; addressable at 40% = $55.1M (estimate)
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Complexity: **Medium** — Requires consolidating duplicate corporate functions (finance, HR, legal, IT), rationalizing overlapping regional sales offices and brokerage branches, and migrating Coyote customers onto RXO Connect while retaining key enterprise freight accounts and managing employee retention.

Priority Score: 45.0 (Impact × Feasibility ÷ 5)

Impact: 75/100 Feasibility: 3/5 Formula: Impact (75/100) x Feasibility (3/5) = 45

$55.1M addressable (40% of the $137.8M observed sg&a as a percent of revenue gap); the addressable share is an estimate to be tested in diligence.

Implementation Steps:

1. Consolidate back-office administrative, finance, HR, and legal teams across RXO and legacy Coyote operations, targeting 25–30% headcount reduction in corporate functions by end of Q2.
2. Rationalize redundant regional sales offices and brokerage branches into unified geographic hubs, closing 15–20 overlapping locations by end of Q3.
3. Migrate Coyote customers onto RXO's proprietary Connect automated brokerage platform, completing customer data harmonization and workflow standardization by end of Q4.

4. Eliminate overlapping third-party software licenses, IT infrastructure contracts, and carrier portal subscriptions, consolidating onto RXO's unified technology stack.

2. Accounts Receivable Optimization & Working Capital Cash Release

12 months

Days sales outstanding of 77.9 days trails the sector median of 55 days by 22.9 days. Closing that gap would release $360.3M of cash once. The value bridge counts only the annual carrying benefit of that release, $36M, and not the cash itself EST. RXO's Days Sales Outstanding (DSO) stands at 77.9 days ($1.23B accounts receivable), trailing the 3PL industry median of 55.0 days by 22.9 days EST. This represents $360.3M in excess working capital tied up in customer receivables, primarily from the newly acquired Coyote customer base where billing and collections workflows have not been fully standardized 10K '25.

Industry Context: Days sales outstanding: 77.9 days versus proprietary P50 55 days (medium confidence). 22.9-day DSO gap × $5742.0M revenue / 365 = $360.3M one-time cash release; × 10% cost of capital = $36M annual carrying benefit

Strategic Value: One-time cash release if the gap to the sector median closed: **$360.3M**. Annual carrying benefit counted in the value bridge: **$36.0M** EST. Indicative investment $5.0M over 12 months. The cash release happens once and is not added to the annual figures.

CALCULATION BASIS

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22.9-day DSO gap × $5742.0M revenue / 365 = $360.3M one-time cash release; × 10% cost of capital = $36M annual carrying benefit
```

Complexity: **Medium** — Requires standardizing billing protocols across legacy RXO and Coyote customer bases, integrating ERP and freight management systems, and enforcing stricter payment terms in a competitive freight market where shipper pushback is likely.

Priority Score: 57.0 (Impact × Feasibility ÷ 5)

Impact: 95/100 Feasibility: 3/5 Formula: Impact (95/100) x Feasibility (3/5) = 57

$36M annual carrying benefit of a $360.3M one-time cash release; both are estimates to be tested in diligence.

Implementation Steps:

1. Standardize billing and invoicing protocols across legacy RXO and Coyote client accounts, establishing unified invoice formats and payment terms by end of Q1.
2. Implement automated electronic proof-of-delivery (ePOD) collection and invoice matching to eliminate billing delays and disputes.
3. Establish centralized credit and collections workflows with dedicated team accountability for accounts >30 days past due.
4. Introduce early payment discounts (e.g., 2% for payment within 10 days) for high-volume enterprise shippers to accelerate cash conversion.

Additional Strategic Initiatives

The following 2 initiatives warrant deeper diagnostic analysis to quantify. These are directional opportunities — actionable but require additional data and management input to size precisely.

1. Brokerage Gross Margin Expansion via Automated Carrier Matching

12 months

RXO achieved a gross margin of 16.4% ($941.0M gross profit on $5.74B revenue), marginally below the 3PL industry median of 16.8% and significantly below top-quartile peers at 23.1% [BM]. The gap reflects limited pricing power in a freight market where carrier capacity tightened in 2025, compressing brokerage spreads between carrier buy rates and shipper sell rates [10K '25]. Truck brokerage revenue of $4.22B represents 74% of total revenue, making gross margin expansion in this segment critical to overall profitability recovery.

Industry Context: 3PL industry P50 gross margin of 16.8% [BM]; top-quartile performance at 23.1% demonstrates the upside potential through improved carrier procurement and pricing optimization [BM].

> CALCULATION BASIS
>
> `Not sized: the filed data does not support a calculated figure for this initiative.`

Complexity: **Medium** — Requires algorithmic carrier procurement tuning, integration of Coyote's spot market data, real-time automated bid acceptance, and carrier scorecarding; carrier resistance to automated bidding during tight capacity cycles and model mispricing during freight rate volatility pose execution risks.

Priority Score: 30.0

Impact: 50/100 Feasibility: 3/5

Implementation Steps:

1. Deploy machine learning algorithms for real-time spot market pricing and carrier procurement, leveraging RXO's historical load and carrier data to optimize bid acceptance rates.
2. Expand digital booking adoption among contract carriers to reduce manual procurement friction and accelerate load assignment.
3. Implement carrier scorecarding to prioritize high-efficiency, lower-cost haulers on high-density lanes, improving load-matching economics.
4. Optimize contract versus spot rate mix in truck brokerage to capitalize on freight cycle turns and carrier capacity tightening.

2. Managed Transportation & Last Mile Operational Efficiency Uplift

12 months

Managed Transportation revenue contracted by 8.5% year-over-year, reflecting enterprise account churn and lower automotive expedite volume [10K '25]. Last Mile revenue expanded to $1.20B (+13.4% YoY), driven by 13% volume growth in big-and-bulky deliveries [10K '25]. Combined, these non-brokerage segments represent 30% of revenue but are underutilized as cross-sell channels and margin-expansion opportunities. Segment-level profitability data is not captured in the extracted financial data, but the Managed Transportation decline and Last Mile growth trajectory suggest significant operational efficiency and contract repricing opportunities.

Industry Context: 3PL industry asset turnover of 2.26x [BM] versus RXO's 1.75x indicates underutilization of Managed Transportation and Last Mile assets; big-and-bulky last-mile market forecast at 5.1% CAGR through 2027 [MI] provides growth context.

CALCULATION BASIS

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Not sized: the filed data does not support a calculated figure for this initiative.
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Complexity: **Medium** — Requires renegotiating low-margin customer contracts, deploying route optimization algorithms, and expanding technology-enabled self-service features; account loss risk during contract repricing and execution complexity in last-mile hub network optimization.

Priority Score: 27.0

Impact: 45/100 Feasibility: 3/5

Implementation Steps:

1. Audit account profitability across Managed Transportation to identify and reprice or exit underperforming contracts, targeting 50–75 basis points of margin improvement.
2. Deploy route optimization algorithms across Last Mile hub networks to improve stop density and reduce cost per stop by 5–10%.
3. Expand technology-enabled self-service features for Managed Transportation enterprise shippers, reducing manual quote and order-management labor.
4. Cross-sell Last Mile logistics services to newly acquired Coyote truckload accounts, leveraging combined network to capture incremental freight volume.

Segment-Level Value Creation

Segment revenue below is taken from the filed document. These opportunities are not sized separately: the value bridge sizes margin and cost levers at company level, and segment-level margins are not in the extracted financial data.

SEGMENT ANALYSIS

1. Truck Brokerage Gross Margin Expansion & Pricing Optimization

▸ Truck brokerage — $4.2B revenue (73.6% of total)

Truck brokerage represents 73.6% of total revenue ($4.22B), up 39.5% YoY from $3.03B following the Coyote acquisition [10K '25]. This segment is the primary driver of company profitability and the largest opportunity for margin expansion. Gross margin of 16.4% at the consolidated level is marginally below the sector median of 16.8%, reflecting limited pricing power in a freight market where carrier capacity tightened in 2025 and buy rates compressed brokerage spreads [10K '25]. Machine learning-driven carrier procurement, dynamic pricing, and carrier scorecarding can expand gross margin by targeting high-efficiency carriers on high-density lanes.

CALCULATION BASIS

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Segment revenue $4.22B (73.6% of total). Not sized separately: the report sizes margin and cost levers at company level, and segment-level margins are not in the extracted financial data.
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Implementation Steps:

1. Deploy machine learning algorithms for real-time spot market pricing and carrier procurement, leveraging RXO's historical load and carrier data to optimize bid acceptance rates and margin per load.
2. Implement carrier scorecarding to prioritize high-efficiency, lower-cost haulers on high-density lanes, improving load-matching economics and reducing cost per load.
3. Expand digital booking adoption among contract carriers to reduce manual procurement friction and accelerate load assignment; target 70%+ digital booking penetration by end of FY2026.
4. Optimize contract versus spot rate mix to capitalize on freight cycle turns; use dynamic pricing to adjust shipper rates in real-time based on carrier capacity and market conditions.

SEGMENT ANALYSIS

2. Last-Mile Network Expansion & Route Optimization

▸ Last mile — $1.2B revenue (20.8% of total)

Last Mile revenue expanded to $1.20B (+13.4% YoY) with 13% volume growth in big-and-bulky deliveries, capturing demand in a market forecast to grow 5.1% CAGR through 2027 [MI]; [MI]. This segment represents 20.8% of total revenue and is the fastest-growing business unit. Route optimization, contractor utilization improvement, and cross-sell opportunities with Coyote truckload customers can drive incremental profitability and market share gains.

CALCULATION BASIS

```
Segment revenue $1.20B (20.8% of total). Not sized separately: the report sizes margin and cost levers at company level, and segment-level margins are not in the extracted
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financial data.

Implementation Steps:

1. Deploy route optimization algorithms across last-mile hub networks to improve stop density and reduce cost per stop by 5–10%; target 2–3 additional stops per route by end of FY2026.
2. Expand technology-enabled self-service features for customers to schedule deliveries, track shipments, and manage claims; reduce manual order-management labor and improve customer satisfaction.
3. Cross-sell last-mile logistics services to newly acquired Coyote truckload accounts, leveraging combined network to capture incremental freight volume and improve asset utilization.
4. Expand geographic coverage in high-growth markets (e.g., Southeast, Southwest) where housing turnover and furniture/appliance demand are strongest; target 10–15% revenue growth in last-mile by end of FY2026.

SEGMENT ANALYSIS

3. Managed Transportation Stabilization & Contract Repricing

▸ Managed transportation — $549.0M revenue (9.6% of total)

Managed Transportation revenue contracted by 8.5% year-over-year, reflecting enterprise account churn and lower automotive expedite volume 10K '25. This segment represents 9.6% of total revenue and is the only declining business unit. Account-level profitability analysis, contract repricing with explicit cost-pass-through mechanisms, and cross-sell opportunities with brokerage and last-mile services can stabilize revenue and improve margins.

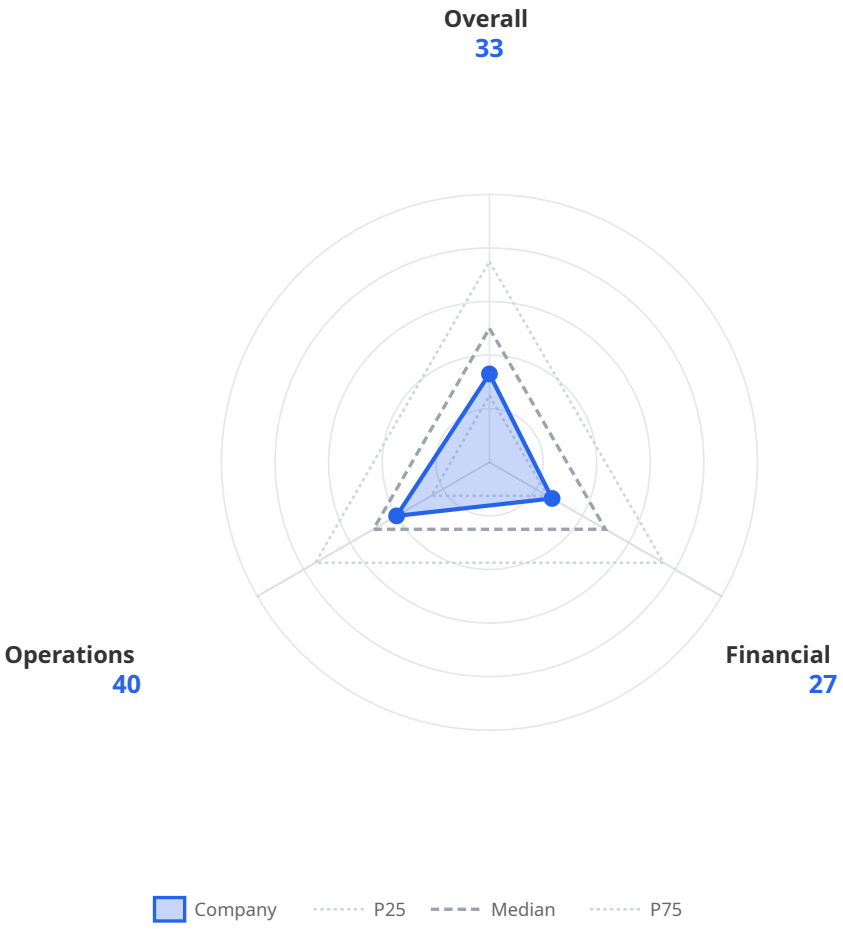
CALCULATION BASIS

Segment revenue $549.0M (9.6% of total). Not sized separately: the report sizes margin and cost levers at company level, and segment-level margins are not in the extracted financial data.

Implementation Steps:

1. Conduct account-level profitability analysis to identify and reprice or exit underperforming contracts; target 50–75 basis points of margin improvement on retained accounts by end of Q2.
2. Renegotiate remaining contracts with explicit cost-pass-through mechanisms for carrier rate increases, fuel surcharges, and regulatory compliance costs; reduce exposure to fixed-price contracts.
3. Cross-sell brokerage and last-mile services to existing managed transportation customers; target 10–15% revenue uplift through service bundling and account expansion by end of FY2026.
4. Expand managed transportation offerings to Coyote truckload customers; leverage combined network to win new freight-management awards and diversify revenue base away from automotive-dependent accounts.

Business Health Score



Business Health Score Rationale

> **Overall Score (33):** Weighted average of the rated dimension scores: Financial Health 27 × 20%, Operational Efficiency 40 × 17%; weights rescaled to the 2 rated dimensions (4 not rated).

Financial Health (27): RXO, Inc.'s financial health is concerning with a net margin of -1.7%, significantly below the industry median of 1.9%. The company's EBITDA margin of 0.6% further highlights profitability challenges. While the debt-to-equity ratio of 0.39x suggests moderate leverage, the negative interest coverage ratio is a critical risk. Overall, RXO's financial position is weak, with limited profitability and coverage capacity.

Weight 20% of the overall score. Starting point 60, −33 lost = 27.

▼ -10pts: Net Margin = -1.7% vs Industry P50: 1.9% — Significant underperformance against industry median

▼ -10pts: EBITDA Margin = 0.6% vs Industry P50: 5.3% — Well below industry median, indicating weak profitability

▼ -10pts: Return on Assets (ROA) = -3.1% vs Industry P50: 4.4% — Significant underperformance, reflecting inefficient asset use

▼ -3pts: Debt-to-Equity = 0.39x vs Industry P25: 0.13x | P50: 0.26x | P75: 0.8x (↓ lower is better) — Debt-to-Equity 0.39x is below average against the industry median (lower is better).

Operational Efficiency (40): RXO, Inc. shows operational strengths with a DPO of 41 days, indicating favorable supplier terms. However, the gross margin of 16.4% is below the industry median, reflecting limited pricing power. The high DSO of 77.9 days suggests inefficiencies in receivables management. Overall, while there are some operational efficiencies, significant areas require improvement.

Weight 17% of the overall score. Starting point 41, +18 earned, −19 lost = 40.

✓ +18pts: Days Payable Outstanding (DPO) = 41 days — Top quartile performance, indicating strong supplier payment terms

▼ -3pts: Gross Margin = 16.4% vs Industry P50: 16.8% — Below industry median, indicating limited pricing power

▼ -3pts: SGA % of Revenue = 14.5% vs Industry P50: 12.1% — Above median, suggesting inefficiencies in cost management

▼ -3pts: Asset Turnover = 1.75x vs Industry P50: 2.26x — Below industry median, indicating less efficient use of assets

▼ -10pts: Days Sales Outstanding (DSO) = 77.9 days vs Industry P50: 55 days — Significant underperformance, indicating slow receivables collection

Market Position (Not rated): Only 1 metric could be observed in the filed data; this dimension is not rated and is excluded from the overall score. RXO, Inc. has a substantial revenue scale of $5.742 billion, positioning it as a significant player in the 3PL sector. However, the absence of market share and geographic diversification data limits a comprehensive assessment of its competitive positioning. The company's market presence is strong, but strategic insights are constrained by data gaps.

○ Not scored: Market Share Indicators — not available in the filed data (Lack of data on market share limits competitive analysis)

○ Not scored: Geographic Diversification — not available in the filed data (Missing data on geographic presence)

Strategic Readiness (Not rated): Only 0 metrics could be observed in the filed data; this dimension is not rated and is excluded from the overall score. RXO, Inc.'s strategic readiness is difficult to assess due to the lack of data on R&D spending and strategic initiatives. This absence of information suggests potential gaps in innovation and strategic planning. The company's ability to adapt and innovate is unclear, posing a risk to long-term competitiveness.

○ Not scored: R&D Spending — not available in the filed data (Lack of R&D data limits assessment of innovation capacity)

○ Not scored: Strategic Initiatives — not available in the filed data (No evidence of strategic initiatives or partnerships)

Growth Potential (Not rated): Only 0 metrics could be observed in the filed data; this dimension is not rated and is excluded from the overall score. RXO, Inc.'s growth potential is uncertain due to the absence of revenue growth data. This lack of information prevents a clear understanding of the company's ability to capitalize on market opportunities. Without growth metrics, assessing future expansion capacity is challenging.

○ Not scored: Revenue Growth Rate — not available in the filed data (Missing revenue growth data limits growth potential assessment)

Innovation & Digital (Not rated): Only 0 metrics could be observed in the filed data; this dimension is not rated and is excluded from the overall score. RXO, Inc.'s innovation and digital maturity are difficult to evaluate due to missing data on technology investments. This gap suggests potential weaknesses in digital capabilities and innovation strategies. The company's ability to leverage technology for competitive advantage remains unclear.

○ Not scored: Technology Investment — not available in the filed data (No data on technology investment limits digital maturity assessment)

Market Intelligence

The market is growing at a 7.37% CAGR. The following analysis highlights key trends, growth drivers, and challenges shaping RXO, Inc.'s competitive landscape.

Key Market Trends

Trend 1: Truckload capacity tightening is shifting pricing power toward carriers

After a prolonged period of carrier oversupply, carrier exits and tighter available capacity increased the cost and difficulty of sourcing truckload capacity.

Trend 2: Carrier compliance and eligibility enforcement is changing the usable capacity pool

More rigorous scrutiny of commercial driver licensing and carrier eligibility can reduce the pool of carriers available to brokers and increase the importance of ongoing carrier verification.

Trend 3: AI and digital brokerage are raising the productivity bar

Digital freight platforms are progressing from basic load matching toward automated pricing, carrier selection, shipment management, and exception handling.

Trend 4: Freight fraud and cargo theft are increasing the cost of brokerage risk control

Freight fraud increasingly involves identity impersonation, compromised accounts, fictitious pickups, and shipment diversion.

Trend 5: Trade-policy uncertainty and nearshoring are changing cross-border and managed-transportation flows

Tariff shifts and sourcing changes are creating lane-level volatility for brokers and managed-transportation providers.

Trend 6: Big-and-bulky last mile is growing more slowly as housing and discretionary demand weaken

RXO's last-mile operation focuses on big-and-bulky deliveries, including furniture and appliances.

Competitive Landscape

Competitor	Type	Revenue	Key Differentiator	Growth
C.H. Robinson Worldwide, Inc.	Market Leader	$16.2B	Scale across 37 million annual shipments, relationships with 75,000 customers and 450,000 contract carriers, and its Navisphere technology platform.	Slower than the North American freight-brokerage market's forecast 7.37% CAGR for 2026–2031
Total Quality Logistics (TQL)	Market Leader	$7.4B	A large, sales-intensive brokerage operation with 65 offices, 24/7 service, and a reported network of more than 140,000 transportation providers. (Forbes company profile; market overview)	Growing faster than the forecast 7.37% North American brokerage-market CAGR
J.B. Hunt Transport Services, Inc.	Market Leader	$12.0B	A large intermodal network, owned and contracted capacity, and the ability to combine brokerage with dedicated, truckload, and intermodal services for shipper accounts.	Slower than the forecast 7.37% North American brokerage-market CAGR
Uber Freight	Direct Competitor	$5.1B	Digital freight-matching capabilities, access to Uber's technology platform, and enterprise managed-transportation expertise and shipper relationships added through Transplace.	Slower than the forecast 7.37% North American brokerage-market CAGR
Schneider National, Inc.	Direct Competitor	$5.7B	Combines brokerage with owned truckload and intermodal capacity, a	Approximately in line with the forecast 7.37% North American

Competitor	Type	Revenue	Key Differentiator	Growth
			broad North American network, and the FreightPower digital marketplace.	brokerage-market CAGR
XPO, Inc.	Market Leader	$8.2B	A dense LTL service-center network and asset-backed capacity that can complement brokerage; XPO reported 592 locations across 17 countries at year-end 2025.	Slower than the forecast 7.37% North American brokerage-market CAGR

Competitive Advantages

- Scale Expansion via Acquisition: Revenue reached $5,742M driven by the September 2024 acquisition of Coyote Logistics, boosting Truck Brokerage revenue by 39.5% to $4,225M.
- Favorable Trade Credit Terms: Days Payable Outstanding (DPO) of 41 days matches the top-quartile 3PL benchmark (P75 = 41 days), providing supplier credit flexibility.
- Solid Liquidity Position: Current ratio and quick ratio of 1.27x maintain adequate short-term solvency with $1,317M in current assets against $1,038M in current liabilities.

Competitive Challenges

- Freight market downturn and carrier oversupply: Prolonged softness in freight demand and carrier capacity oversupply compress brokerage spreads and gross margin; shipper contract rates may not adjust downward as quickly as carrier buy rates MI.
- Competitive intensity and scale disadvantage: C.H. Robinson ($16.2B revenue), J.B. Hunt ($12.0B revenue), and TQL ($7.4B revenue) operate at significantly larger scale with superior technology platforms and customer relationships; RXO's mid-pack position limits pricing power and negotiating leverage MI.
- Managed Transportation revenue decline: Managed Transportation revenue contracted $51.0M (-8.5% YoY) due to enterprise account churn and automotive volume softness; continued decline could offset gains in brokerage and last-mile 10K '25.
- Carrier compliance and capacity constraints: Heightened scrutiny of commercial driver licensing and carrier eligibility enforcement reduce the pool of usable carriers and increase the importance of carrier verification; RXO must maintain a large, compliant carrier base to compete MI.

Strategic Competitive Assessment

Based on comprehensive analysis of RXO, Inc.'s market position relative to key competitors.

Market Position Overview

RXO competes in a highly fragmented 3PL market dominated by a small group of scaled brokers and multimodal providers. C.H. Robinson ($16.2B revenue, FY2025) remains the market leader with superior scale, a 75,000-customer base, and the Navisphere technology platform, but reported FY2025 revenue decline of 8.4% and is executing a multi-year operating-model overhaul [MI]. Total Quality Logistics ($7.4B estimated gross brokerage revenue) is growing faster than the market, expanding its carrier network to 140,000+ providers and managing 3.9M+ shipments annually [MI]. J.B. Hunt ($12.0B revenue) combines brokerage with owned truckload and intermodal capacity, providing integrated solutions but reported flat FY2025 revenue growth of -0.7% [MI]. Uber Freight ($5.1B Freight segment revenue) competes on digital capabilities and Transplace managed-transportation expertise but reported FY2025 Freight revenue decline of 1% [MI]. Schneider National ($5.7B revenue, comparable to RXO) recently acquired Cowan Systems for $420M to expand dedicated trucking capacity [MI]. XPO ($8.2B revenue) operates a dense LTL network with 592 locations globally and reported FY2025 revenue growth of 1.1% [MI]. RXO's competitive position is mid-pack by scale but faces significant profitability headwinds. The Coyote acquisition lifted truck brokerage revenue to $4.22B (74% of total), positioning RXO as a scaled brokerage player, but the company's -1.4% operating margin trails all major competitors and reflects both freight market softness and integration execution challenges [10K '25]. RXO's strengths include the proprietary RXO Connect platform with machine learning capabilities, a combined carrier network of 140,000+ providers post-Coyote, and last-mile scale ($1.20B revenue, 13% YoY growth) [10K '25].

However, RXO's SG&A ratio of 14.5% significantly exceeds peers like Landstar (8.2%) and GXO (8.4%), indicating cost-structure disadvantage [MI]. Gross margin of 16.4% is marginally below the sector median, reflecting limited pricing power in a freight market where carrier capacity tightened in 2025 and buy rates compressed brokerage spreads [10K '25]. Key battlegrounds are price and gross margin per load, reliable carrier capacity and coverage during rate swings, shipper relationships and enterprise routing-guide access, technology-enabled quoting and TMS integration, multimodal breadth and owned-capacity access, and service execution including on-time delivery and claims handling. RXO's digital brokerage capabilities and last-mile network are competitive advantages, but the company must complete Coyote integration,

rationalize SG&A costs, and restore operating profitability to compete effectively with scaled peers. The announced acquisition by C.H. Robinson (October 2026, expected close H1 2027) will materially alter RXO's competitive position if completed, combining RXO's brokerage scale and last-mile network with C.H. Robinson's global reach and technology platform MI.

Competitive Strengths

Scale Expansion via Acquisition: Revenue reached $5,742M driven by the September 2024 acquisition of Coyote Logistics, boosting Truck Brokerage revenue by 39.5% to $4,225M.

Favorable Trade Credit Terms: Days Payable Outstanding (DPO) of 41 days matches the top-quartile 3PL benchmark (P75 = 41 days), providing supplier credit flexibility.

Solid Liquidity Position: Current ratio and quick ratio of 1.27x maintain adequate short-term solvency with $1,317M in current assets against $1,038M in current liabilities.

Areas for Improvement

EBITDA Margin: 0.6 vs industry median 5.3 (critical)

Operating Margin: -1.4 vs industry median 2.3 (critical)

Net Margin: -1.7 vs industry median 1.9 (critical)

SG&A % of Revenue: 14.5 vs industry median 12.1 (significant)

Days Sales Outstanding (DSO): 77.9 vs industry median 55 (significant)

Gross Margin: 16.4 vs industry median 16.8 (moderate)

Debt-to-Equity: 0.39 vs industry median 0.26 (moderate)

Asset Turnover: 1.75 vs industry median 2.26 (moderate)

Return on Assets (ROA): -3.1 vs industry median 4.4 (moderate)

Key Competitive Battlegrounds

Gross margin per load and pricing power in a freight market with tightening carrier capacity and compressed brokerage spreads

Reliable carrier capacity and coverage during freight cycle turns; carrier compliance and eligibility enforcement reducing usable capacity pool

Shipper relationships and enterprise routing-guide access; customer retention during system migrations and account team restructuring

Technology-enabled quoting, tendering, tracking, and TMS/API integration; digital brokerage automation and machine learning pricing optimization

Multimodal breadth (truckload, LTL, intermodal, last-mile) and owned-capacity access; ability to offer integrated solutions versus pure brokerage

Financial Performance Analysis

RXO, Inc. reported total revenue of $5,742M in FY2025, reflecting significant inorganic top-line expansion following the September 2024 acquisition of Coyote Logistics. This transaction propelled Truck Brokerage revenue to $4,225M (up from $3,029M in the prior period), while Last Mile grew 13.4% to $1,196M. However, profitability was severely depressed, resulting in a GAAP operating loss of -$79M (-1.4% operating margin) and a net loss of -$100M (-1.7% net margin). Excluding exceptional items, adjusted operating margin was -0.1% (-$7M), highlighting ongoing freight market softness and cost pressures. From an operational and capital efficiency standpoint, RXO trails sector benchmarks across several core metrics. Working capital management presents a critical area of concern, as Days Sales Outstanding (DSO) expanded to 77.9 days — trailing the industry median of 55.0 days by nearly 23 days and tying up $360.3M in working capital. Free cash flow swung negative to -$8M on $59M of capex, and Net Debt to EBITDA spiked to 15.62x on $595M of total debt against $17M in cash. To restore profitability and de-lever the balance sheet, RXO must execute aggressive post-merger integration priorities. Primary value creation levers include capturing $137.8M in annual SG&A synergies by rationalizing overlapping corporate functions and brokerage branches, eliminating $72M in

non-recurring integration charges, and executing an AR optimization program to unlock $360.3M in one-time cash flow.

Profitability Analysis

Revenue:	**$5.7B**
Gross Profit:	**$941.0M**
Gross Margin:	**16.4%**
Operating Margin:	**-1.4%**
Net Income:	**-$100.0M**
Net Margin:	**-1.7%**
Depreciation & Amort:	**$116.0M**

Efficiency & Returns

Return on Assets:	**-3.1%**
SG&A % Revenue:	**14.5%**
SG&A Expense:	**$832.0M**
Total Assets:	**$3.3B**
Asset Turnover:	**1.75x**
Operating Income:	**-$79.0M**

Working Capital Efficiency

Days Sales Outstanding:	**78 days**
Days Payable Outstanding:	**41 days**

Cash Flow Analysis

Operating Cash Flow:	**$51.0M**
Capital Expenditure:	**$59.0M**
Free Cash Flow:	**-$8.0M**
Current Ratio:	**1.27x**
Interest Expense:	**$35.0M**
Total Equity:	**$1.5B**
Impairment Charges:	**$12.0M**

Financial Ratios (ratio engine v1.0, reported basis, FY2025)

Computed in code from the canonical financial block. These are the figures used throughout this report, the Excel workbook and the scorecard.

Ratio	Value	Formula
Gross Margin	**16.4%**	Gross profit (941M) / Revenue (5742M) × 100
Operating Margin (reported)	**-1.4%**	Operating income (-79M) / Revenue (5742M) × 100
Operating Margin (adjusted)	**-0.1%**	Adjusted operating income (-7M) / Revenue (5742M) × 100 *(computed: reported operating income + exceptional items)*
EBITDA Margin	**0.6%**	EBITDA (37M) / Revenue (5742M) × 100 *(EBITDA = operating income + D&A (computed))*
Net Margin	**-1.7%**	Net income (-100M) / Revenue (5742M) × 100
SG&A % of Revenue	**14.5%**	SG&A (832M) / Revenue (5742M) × 100 *(as reported (single line))*
Return on Assets	**-3.1%**	Net income (-100M) / Total assets (3277M) × 100
Return on Equity	**-6.5%**	Net income (-100M) / Total equity (1541M) × 100
Return on Invested Capital	**-3.2%**	Operating income (-79M) × (1 − 13% effective tax) / (Debt + Equity − Cash) (2119M) *(effective tax rate 13% = tax (-15M) / pre-tax income (-115M))*
Current Ratio	**1.27x**	Current assets (1317M) / Current liabilities (1038M)
Quick Ratio	**1.27x**	(Current assets (1317M) − Inventory (n/a)) / Current liabilities (1038M) *(inventory not reported — treated as 0)*
Debt-to-Equity	**0.39x**	Total debt (595M) / Total equity (1541M)
Debt-to-Assets	**0.18x**	Total debt (595M) / Total assets (3277M)
Net Debt / EBITDA	**15.62x**	(Total debt (595M) − Cash (17M)) / EBITDA (37M) *(EBITDA = operating income + D&A (computed)) (EBITDA is small relative to net debt; the multiple is not a meaningful leverage measure)*
Interest Coverage	**-2.26x**	Operating income (-79M) / Interest expense (35M)
Asset Turnover	**1.75x**	Revenue (5742M) / Total assets (3277M)
Days Sales Outstanding	**77.9 days**	AR (1226M) / (Revenue (5742M) / 365)
Days Payable Outstanding	**41 days**	AP (539M) / (COGS (4801M) / 365)

Key Financial Insights

DATA GAPS & LIMITATIONS

- GAAP Unprofitability & Net Loss: Generated a net loss of -$100M (-1.7% net margin) and operating loss of -$79M (-1.4% operating margin), heavily impacted by $72M in exceptional integration, restructuring, and impairment expenses.
- Working Capital Inefficiency in Receivables: Days Sales Outstanding (DSO) of 77.9 days severely underperforms the 3PL median of 55.0 days, tying up $360.3M in excess receivables.
- Elevated Cost Structure: SG&A expense at 14.5% of revenue exceeds the 3PL median of 12.1%, driven by redundant corporate overhead following the Coyote acquisition.

KEY STRENGTHS

- Scale expansion via Coyote acquisition: Revenue reached $5.74B in FY2025, with truck brokerage revenue of $4.22B (+39.5% YoY), positioning RXO as a scaled brokerage competitor 10K '25.
- Last-mile growth momentum: Last Mile revenue expanded to $1.20B (+13.4% YoY) with 13% volume growth in big-and-bulky deliveries, capturing demand in a market forecast to grow 5.1% CAGR through 2027 MI ; MI.
- Proprietary digital platform: RXO Connect platform with machine learning capabilities, Freight Optimizer, and real-time freight transaction and tracking functionality provides competitive advantage in automated brokerage and pricing 10K '25.

100-Day Value Creation Action Plan

This 100-Day Action Plan provides a structured roadmap for RXO, Inc. to rapidly capture value and build momentum.

Days 1–30: Foundation & Quick Wins

Integration Completion & Working Capital Mobilization

Establish cross-functional integration steering committee with representatives from Finance, Operations, IT, and Sales to oversee Coyote integration completion and DSO reduction initiatives. Owner: Chief Operating Officer

Deliverable: Integration governance charter and weekly status dashboard tracking IT cutover, facility consolidation, and billing system standardization milestones.

Success Metric: Committee convened by day 5; integration roadmap finalized with go-live dates for all IT systems by day 20.

Launch DSO reduction diagnostic: audit Coyote customer billing records, identify root causes of payment delays (invoice errors, disputes, system gaps), and map billing workflows across legacy RXO and Coyote platforms. Owner: Chief Financial Officer

Deliverable: DSO diagnostic report identifying top 20 accounts by receivables aging, root-cause analysis of delays, and recommended billing process changes.

Success Metric: Diagnostic complete by day 25; top 50 accounts by receivables balance contacted with payment-acceleration proposals by day 30.

Initiate SG&A cost baseline study: map all corporate functions (finance, HR, legal, IT, procurement) across RXO and Coyote, identify duplicate roles and overlapping vendors, and quantify consolidation savings. Owner: Chief Financial Officer

Deliverable: SG&A baseline report with role-by-role headcount, vendor contracts, and facility costs; consolidation roadmap with target savings by function.

Success Metric: Baseline study complete by day 28; consolidation targets approved by executive leadership by day 30.

Days 31–60: Build Momentum

Execution of Integration Milestones & Cost Reduction

Launch early payment discount program for top 50 Coyote customers; offer 2% discount for payment within 10 days to accelerate DSO reduction. Owner: Vice President, Sales & Customer Success

Deliverable: Early payment discount program documentation; customer communication campaign with enrollment targets.

Success Metric: Program launched by day 35; 30% of top 50 accounts enrolled by day 60; average DSO reduction of 5–7 days achieved by day 60.

Complete facility consolidation planning: identify 15–20 redundant regional brokerage branches and sales offices for closure; finalize lease termination and employee transition plans. Owner: Chief Operating Officer

Deliverable: Facility consolidation plan with closure schedule, severance agreements, and employee relocation/transition support.

Success Metric: Facility closure list finalized by day 40; severance agreements executed for 80% of affected employees by day 60.

Initiate corporate function consolidation: begin merging finance, HR, and legal teams; finalize organizational structure and role assignments for consolidated functions. Owner: Chief Financial Officer

Deliverable: Consolidated organizational chart; role descriptions and assignment letters for merged teams.

Success Metric: Organizational structure approved by day 45; 70% of role assignments completed by day 60.

Days 61–100: Scale & Sustain

Stabilization, Profitability Restoration & Operational Optimization

Complete Coyote customer migration to RXO Connect platform; finalize all customer data harmonization and workflow standardization; conduct post-migration customer satisfaction survey. Owner: Vice President, Operations

Deliverable: Customer migration completion report; post-migration system performance metrics and customer feedback summary.

Success Metric: 100% of Coyote customers migrated to RXO Connect by day 85; customer satisfaction score ≥8/10 by day 100.

Finalize facility closures and severance execution; complete all planned facility consolidations and employee transitions. Owner: Chief Operating Officer

Deliverable: Facility closure completion report; final severance payments and employee transition documentation.

Success Metric: All planned facility closures completed by day 90; severance payments finalized by day 100.

Establish run-rate cost tracking and monthly variance analysis; implement dashboard to monitor SG&A, operating expenses, and integration cost elimination progress against FY2026 targets. Owner: Chief Financial Officer

Deliverable: Cost tracking dashboard; monthly variance report template and governance process.

Success Metric: Dashboard operational by day 75; first monthly variance report issued by day 100 showing progress toward $55.1M EST SG&A savings target.

Launch DSO reduction phase 2: implement automated ePOD collection and centralized collections workflows; target DSO reduction to 65–70 days by end of Q1. Owner: Chief Financial Officer

Deliverable: ePOD system deployment plan; centralized collections team charter and performance metrics.

Success Metric: ePOD system live for 80% of shipments by day 95; DSO reduced to 70 days by day 100.

Conduct post-integration financial review: assess FY2025 results against integration plan, quantify realized synergies and cost savings, and update FY2026 guidance. Owner: Chief Financial Officer

Deliverable: Post-integration financial review report; updated FY2026 guidance and operating margin targets.

Success Metric: Review completed by day 95; FY2026 guidance issued by day 100 reflecting $55.1M EST SG&A savings and $36.0M EST DSO carrying benefit.

SWOT Analysis

Strengths

- Scale expansion via Coyote acquisition: Revenue reached $5.74B in FY2025, with truck

Weaknesses

- Profitability collapse: Operating loss of -$79.0M (-1.4% operating margin) and net loss of -$100.0M (-1.7% net

brokerage revenue of $4.22B (+39.5% YoY), positioning RXO as a scaled brokerage competitor [10K '25].

- Favorable supplier credit terms: Days Payable Outstanding (DPO) of 41 days matches the top-quartile 3PL benchmark, providing working capital flexibility and supplier relationship strength [BM].
- Last-mile growth momentum: Last Mile revenue expanded to $1.20B (+13.4% YoY) with 13% volume growth in big-and-bulky deliveries, capturing demand in a market forecast to grow 5.1% CAGR through 2027 [MI]; [MI].
- Proprietary digital platform: RXO Connect platform with machine learning capabilities, Freight Optimizer, and real-time freight transaction and tracking functionality provides competitive advantage in automated brokerage and pricing [10K '25].
- Adequate liquidity: Current ratio of 1.27x and quick ratio of 1.27x maintain short-term solvency with $1.32B in current assets against $1.04B in current liabilities [10K '25].

margin) significantly underperform the 3PL industry median of 2.3% operating margin and 1.9% net margin [10K '25]; [EST].

- Elevated cost structure: SG&A expense of $832.0M (14.5% of revenue) exceeds the 3PL industry median of 12.1% by 2.4 percentage points, representing a $137.8M cost disadvantage [EST]; [CALC].
- Working capital inefficiency: Days Sales Outstanding (DSO) of 77.9 days trails the 3PL industry median of 55.0 days by 22.9 days, tying up $360.3M in excess receivables [EST]; [CALC].
- Gross margin compression: Gross margin of 16.4% sits marginally below the sector median of 16.8% and significantly below top-quartile peers at 23.1%, reflecting limited pricing power in a freight market with tightening carrier capacity [BM].
- High financial leverage: Net Debt to EBITDA of 15.62x on $595.0M total debt against depressed EBITDA creates financial risk; debt-to-equity ratio of 0.39x exceeds the sector median of 0.26x [10K '25]; [CALC].

Opportunities

- Coyote integration synergies: Consolidation of corporate functions, branch rationalization, and system unification can capture $55.1M [EST] in addressable SG&A

Threats

- Freight market downturn and carrier oversupply: Prolonged softness in freight demand and carrier capacity oversupply compress brokerage spreads and

savings, moving the company toward the sector median cost structure [CALC].

- Accounts receivable optimization: DSO reduction from 77.9 days to 55 days can unlock $360.3M in one-time working capital cash, enabling debt reduction and de-leveraging the balance sheet [CALC].
- Gross margin expansion via automation: Machine learning-driven carrier procurement and dynamic pricing optimization can expand gross margin by 1.0 percentage point, moving toward top-quartile performance [EST].
- Truckload capacity tightening: Carrier exits and tighter available capacity are shifting pricing power toward brokers; RXO's dense carrier network and automated pricing capabilities position it to capture margin upside [MI].
- Last-mile market growth: Big-and-bulky last-mile market forecast to grow 5.1% CAGR through 2027; RXO's established last-mile network and route density provide platform for incremental volume and profitability expansion [MI].

gross margin; shipper contract rates may not adjust downward as quickly as carrier buy rates [MI].

- Competitive intensity and scale disadvantage: C.H. Robinson ($16.2B revenue), J.B. Hunt ($12.0B revenue), and TQL ($7.4B revenue) operate at significantly larger scale with superior technology platforms and customer relationships; RXO's mid-pack position limits pricing power and negotiating leverage [MI].
- Managed Transportation revenue decline: Managed Transportation revenue contracted $51.0M (-8.5% YoY) due to enterprise account churn and automotive volume softness; continued decline could offset gains in brokerage and last-mile [10K '25].
- Carrier compliance and capacity constraints: Heightened scrutiny of commercial driver licensing and carrier eligibility enforcement reduce the pool of usable carriers and increase the importance of carrier verification; RXO must maintain a large, compliant carrier base to compete [MI].
- Announced acquisition by C.H. Robinson: The definitive agreement for C.H. Robinson to acquire RXO (October 2026, expected close H1 2027) creates uncertainty around RXO's independent strategic direction and may distract management from integration and profitability execution [MI].

Key Questions for Management

The questions a diligence team would put to management first, in priority order. Each follows from a benchmark gap or an observation above.

1. What is the detailed timeline and go-live date for completing the Coyote systems integration (billing, carrier management, TMS), and what are the key risks and contingency plans if cutover is delayed beyond Q2?
2. How much of the $137.8M SG&A gap versus the sector median is addressable through corporate function consolidation, branch rationalization, and system unification, and what is the realistic timeline and cost to capture $55.1M in savings?
3. What are the root causes of the 22.9-day DSO gap (77.9 days vs. 55-day median), and what specific billing, collections, and customer communication actions will be taken to reduce DSO to 65–70 days by end of Q1?
4. What is the gross margin trajectory by segment (truck brokerage, last-mile, managed transportation) for FY2026, and how will machine learning pricing optimization and carrier scorecarding contribute to margin expansion?
5. What is the plan to stabilize and return Managed Transportation to growth, including account retention strategies, contract repricing mechanisms, and cross-sell opportunities with Coyote truckload customers?
6. How will the company manage the announced C.H. Robinson acquisition (expected close H1 2027) while executing integration and profitability initiatives; what is the impact on management focus and employee retention?
7. What are the key covenant thresholds and refinancing dates on the $595.0M debt portfolio, and what is the plan to reduce leverage from 15.62x Net Debt to EBITDA to a sustainable level (8.0–10.0x) by end of FY2026?

Appendix: Citation & Calculation Reference

Badge Legend

Badge	Meaning
10K '25	Metric extracted directly from the company's filed financial report (10K). Year suffix indicates the fiscal year (e.g. '25 = FY2025).
CALC^{n}	Metric derived from extracted financials. Each numbered badge (CALC^{1}, CALC^{2}, etc.) corresponds to a formula in the Calculations Reference table below.
MI	Sourced from real-time market intelligence via ValueChaser's multi-agent research pipeline (Perplexity, industry databases, and public sources).
EST	Industry benchmark or figure that is not from the filing and not from ValueChaser's proprietary benchmark set. Treat as indicative.
BM	ValueChaser proprietary benchmark from the industry knowledge base, matched to this company's sector, geography and revenue tier.

Calculations Reference

Ref	Formula / Derivation
CALC^{1}	`2.4pt × $5.74B revenue`
CALC^{2}	`($79.0M operating income + $116.0M depreciation) / $5.74B revenue`
CALC^{3}	`22.9 days × $5.74B revenue / 365`
CALC^{4}	`($595.0M debt - $17.0M cash) / EBITDA`

Appendix: Data Sources & Quality Metrics

Document Analysis Quality Metrics

Filename	Confidence	Fiscal Year	Document Type
RXO_10K_FY2025.pdf	high	2025	10-K

Analysis Data Sources

- Uploaded Documents: 1 file(s) analyzed
- Financial Metrics: Extracted from uploaded financial statements
- Industry Benchmarks: ValueChaser proprietary industry knowledge base
- Market Intelligence: Multi-agent multi-LLM research methodology (45 citations)
- Strategic Analysis: Advanced synthesis and recommendation engine
- Data Confidence: high
- Data Gaps: Multi-year consolidated income statement prior period comparative standard line items not fully disclosed in single filing extract, R&D expense not reported (not standard for 3PL brokerages), Inventory not reported / zero for asset-light logistics model

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