

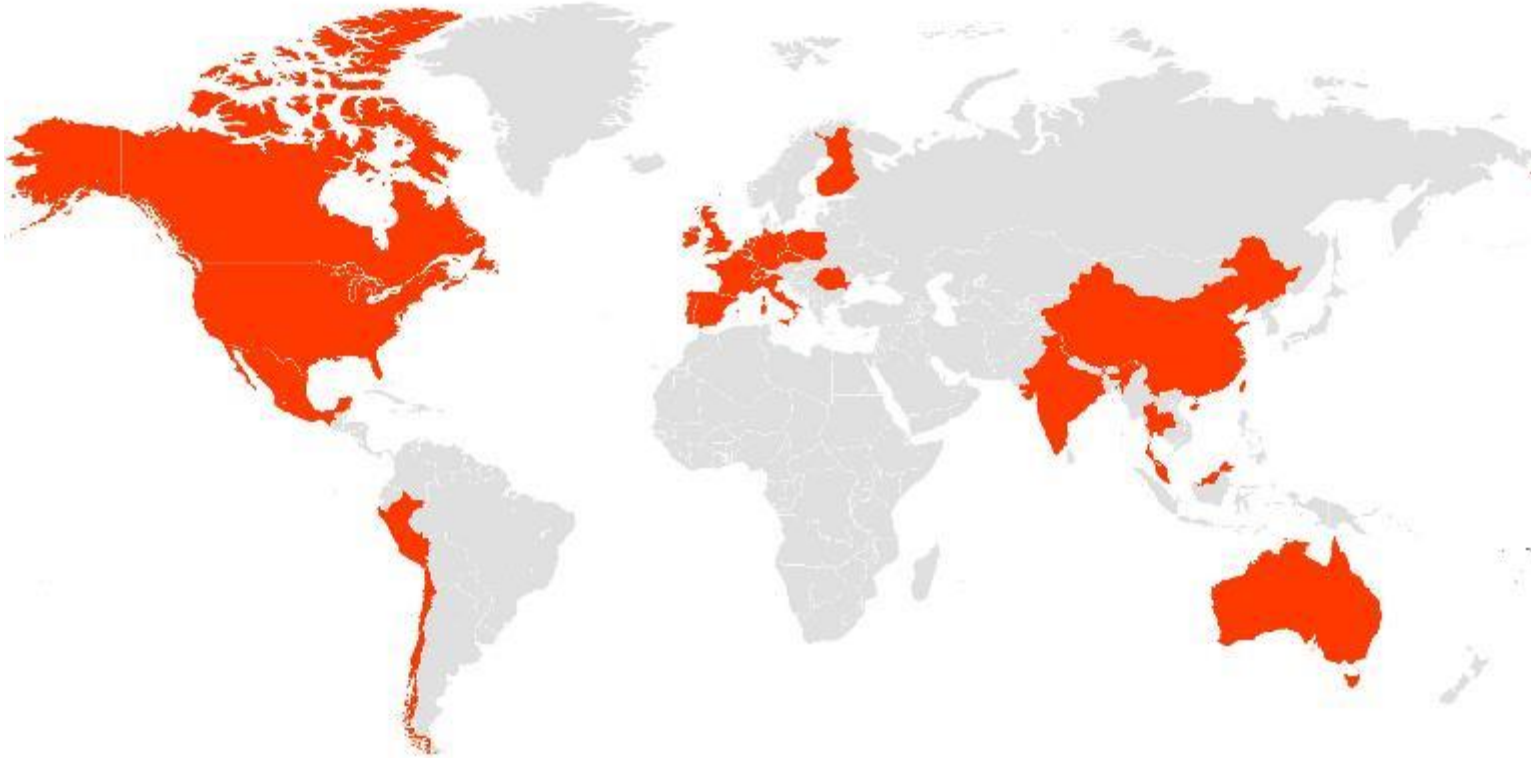


Logistics at full potential

Auto-Mobility and Industrial



GXO – Logistics at full potential



GXO is the world's **largest pure-play contract logistics provider**. We're engineering the **next generation of logistics**, shaping the future of our industry and pioneering **cutting-edge solutions** to unlock growth for the multinational companies we serve. That's **logistics at full potential**.

\$8.0 bn
revenue

~ 950
warehouse
locations

200m sq. ft.
of warehouse space

~130 k
team members

28
countries



Capabilities for automotive, mobility, and industrial customers

Scale, technology, analysis and control are all part of the comprehensive solutions we provide.

GXO is highly experienced in providing technology-enabled solutions for clients

- Drive down costs and eliminate excess inventory
- Enhance visibility and collaboration
- Accelerate supplier on-boarding
- Streamline inbound material flows

Key Services

- Reverse logistics
(including recall management)
- Aftermarket support
- Managed transportation
(including full network optimization)
- Manufacturing support
(including kitting, light assembly and point-of-use delivery)
- Materials management and procurement
- Lead logistics services
- Supply chain consulting



Customer success stories

Our collaborative approach to fostering customer success has resulted in an average renewal rate of 95% and an average customer tenure of over 13 years.



Aftermarket distribution

Customer: Manufacturer of diesel engines and propulsion / industrial drive systems.

GXO's solution:

- Reduced emergency order fill time from 24 hours to same-day; standard order fill time from 72 to 24 hours
- Achieved perfect order index average of 99.67%+, correct quantity average of 99.97%, correct part average of 99.97% and a responsiveness rate of 99.73% and inventory location accuracy of 99.99%
- Reduced kitting backorders from \$32 million to \$200,000 in the first six months of startup



Cross-border operations

Customer: Leading manufacturer of braking systems for trucks, buses, trailers and agricultural machines.

GXO's solution:

- Improved quality and accuracy and dramatically reduced custom patrol fines - less than \$10,000 in the first year of operation
- Achieved a 0% turnover rate, zero RIR or OSHA and maintained 100% in on-time shipping and receiving with a >99.9% shipping accuracy rate during the first year



Packaging optimization for OEM parts

Customer: a multinational manufacturer of automobiles, commercial vehicles and luxury cars

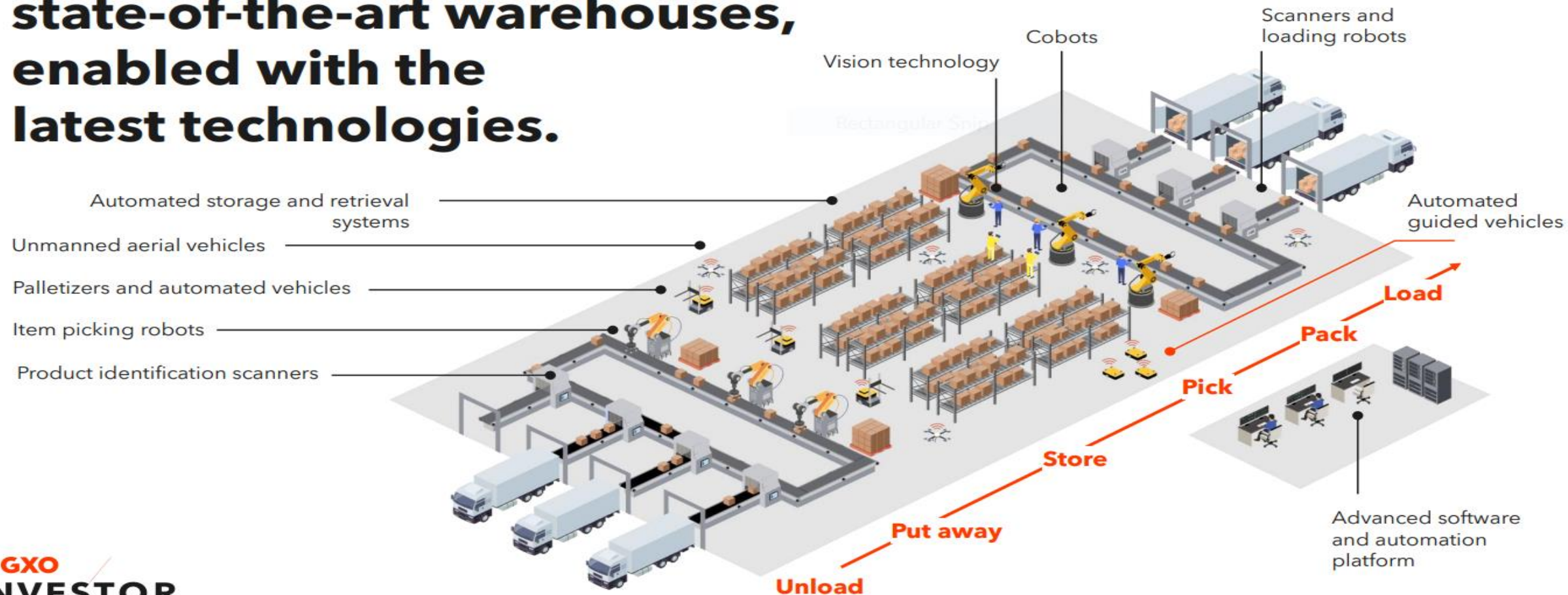
GXO's solution:

- Identifies and implements packaging improvements resulting in \$2-5 million in annualized cost savings per year
- Created a standardized expendable packaging approval process and developed first container flow metrics reporting format for our customer and their suppliers
- Provides a rail control tower, monitoring the movement of up to 4,000 railcars to and from customer sites, mitigating delays and preventing extraneous and unexpected demurrage charges

A facility that's right for your business

Logistics is ripe for transformation through the technology that we provide.

We design and operate state-of-the-art warehouses, enabled with the latest technologies.



Manufacturing support

Precision inventory and vendor management for better plant productivity

GXO helps manufacturers and other industrial companies manage complex inbound flows involving hundreds of suppliers and thousands of SKUs, improving uptime and just-in-time inventory management with expert manufacturing logistics support.

Value-added manufacturing logistics support capabilities:

- Advanced kitting capabilities
- Controlled receipt, de-trashing and staging of inflows
- Inventory ownership transfer timed to arrival at production lines
- Packaging design and other contract service options
- Point-of-use delivery
- Reusable container management
- Subassembly and configuration services
- VMI program design and management



Learn more: [case study](#)



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Automation that's right for you

Logistics is ripe for transformation through the technology that we provide.

We help you decide if automation makes sense and which type suits your operations.

- Cycle count automation
- Collaborative robots
- Vertical lift modules
- Advanced sortation systems
- Other logistics automation

Our intelligent technologies promote:

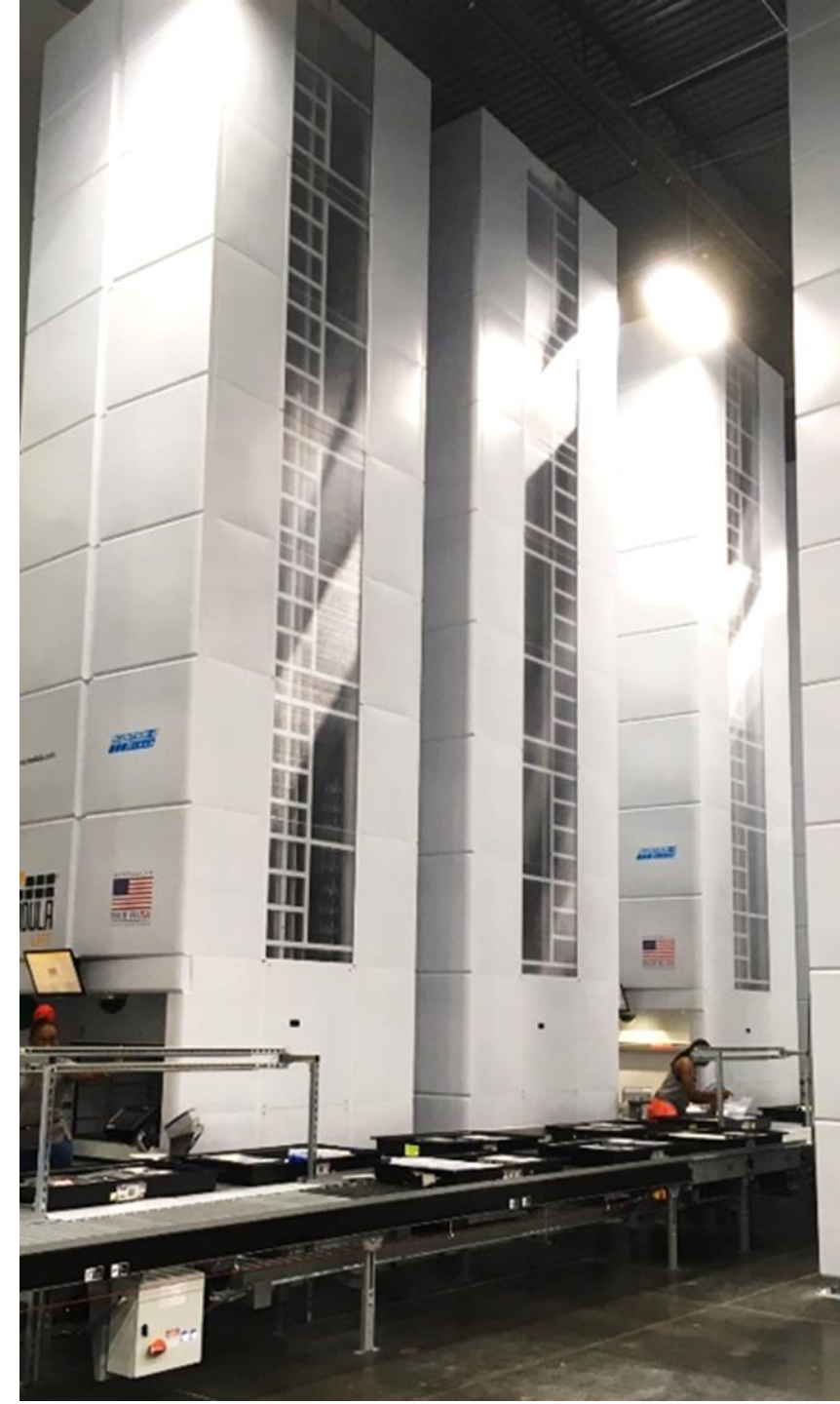
- Accelerated throughput
- Agile peak management
- Lower workforce turnover
- Shorter training times
- Fewer physical demands on workers



Learn more: [case study](#)



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Automotive OEM parts distribution, US

Company profile

This company is a Japanese multinational automotive manufacturer. It is one of the largest automobile manufacturers in the world.

Opportunity

The customer was spinning off one brand of dealerships from their other parts centers to provide a greater level of focus. The opportunity involved shipping aftermarket parts to dealerships for one of their divisions. The customer chose GXO because of our Lean operating model and the long-standing relationship we had built in other operations.

Solution

GXO designed the facility for high density storage and implemented the operation using Lean methodologies.

Our solid collaboration with the customer teams allowed the process of implementing and designing the operation to run smoothly. The streamlined processes provided customer service within 17 hours from order placement to delivery.

We manage 37,000 part numbers in 108,000 square feet of operational space.

Results

GXO's Kaizen events have resulted in over \$100,000 in annualized operational savings to date with a solid focus on process improvement to drive out cost and improve cycle times.

Our knowledge of the customer's methodology and requirements for warehouse design also enables us to solution and implement additional outsourced PDCs on the customer's behalf in the future.



Cross-border manufacturing support, US/Mex

Company profile

This company, is a leading manufacturer of commercial vehicle systems, providing braking systems for trucks, buses, trailers and agricultural machines.

Opportunity

In 2019, after incurring an average of \$400,000 in customs fines, they turned to GXO to help streamline their cross-border operations that send raw material to production plants in Mexico and ship finished goods back into the US.

Solution

The customer chose GXO due to our mature process-driven approach to receiving, auditing and shipping. We positioned the customer in an GXO-operated shared-space cross-dock along with other customers who required similar services. The facility is ~114,000 square feet with a 90,000 square-foot gated yard, 16 dock doors and two dock ramps. The customer leases 50,000 square feet of space, which is dedicated to their operation.

Suppliers ship raw materials directly to GXO's facility where a physical inventory is performed before shipping to the manufacturing facilities. Northbound shipments are received directly from customers with order lead times ranging from two to six hours.

Results

GXO has improved quality and accuracy and dramatically reduced the custom and border patrol fines - less than \$10,000 in the first year of operation. During the first full year of our contract, which saw the Coronavirus pandemic impact employment and shipping schedules around the world, the GXO/customer account achieved a 0% turnover rate, zero safety issues (RIR and OSHA Recordables) and maintained 100% in on-time shipping and receiving with a >99.9% shipping accuracy rate.

GXO has deployed various ongoing initiatives to identify opportunities for continuous improvement. These include value-stream mapping, regular Kaizen events and tools from the GXO Operating System designed to align employees to our overall goals and reduce or eliminate operational waste.



Automated, retail battery distribution, US

Company profile

This company is a world leader in energy storage solutions. The company creates advanced battery technologies for several vehicles and is the largest manufacturer of batteries for automotive, motorsports and more.

Opportunity

They were looking to outsource the distribution to free up space within their manufacturing facilities. After a competitive bid process, they selected GXO for battery distribution to regional Walmart and Interstate Battery retail locations.

Solution

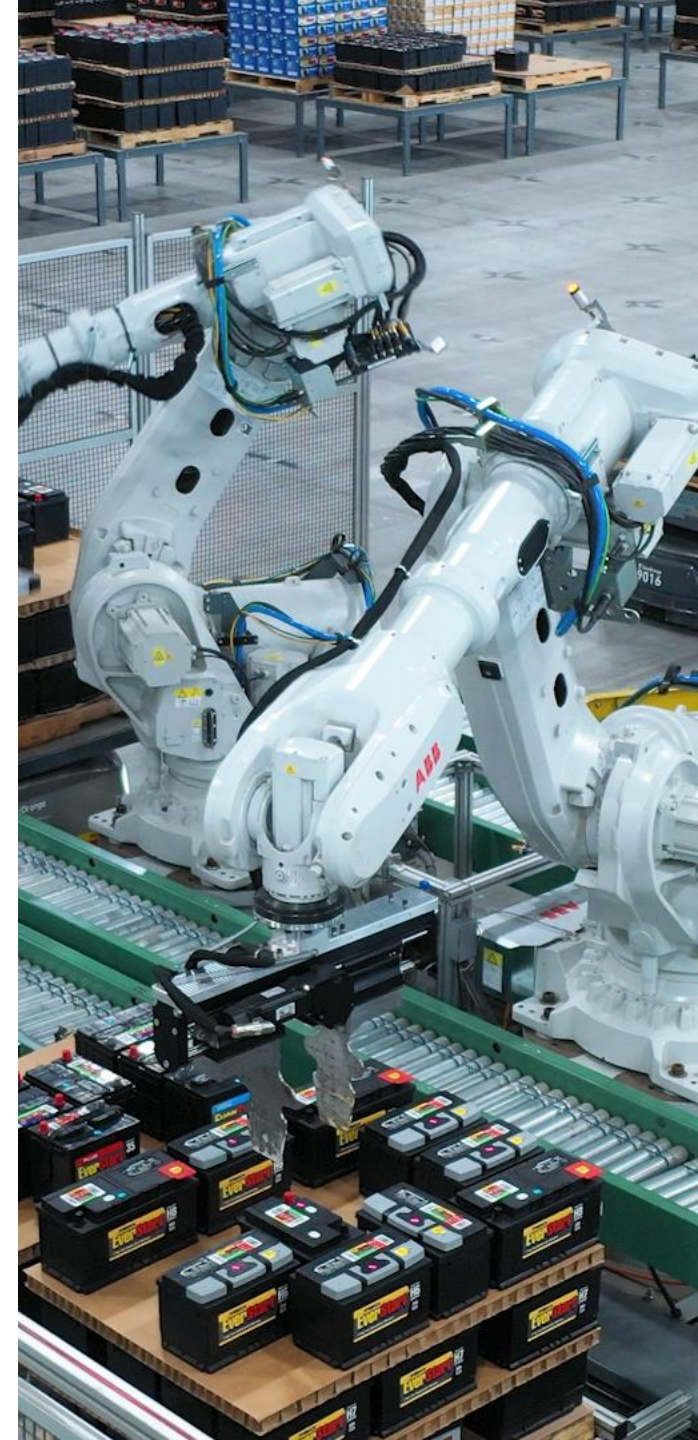
In 2017, GXO was awarded a contract to launch a 250,000 square-foot distribution facility in Aurora, IL. This facility supports customer production plant in Geneva, IL, shipping each-picked orders to Walmart locations and raw materials to customer production centers.

GXO was awarded an additional distribution center in San Antonio, TX, in late 2018. After the contract had reached a steady state, GXO began conversations with our customer's key stakeholders transition the Walmart portion of the Texas operation into a first-of-its-kind, goods-to-robot automated picking solution. As part of this transition, the Texas location was upfitted with the GXO Next Generation IT Suite.

Results

GXO continued to serve our customer when it spun off their battery division into its own standalone company. While working with our customer through the rebranding process, our in-house engineers were also collaborating with automation integrators to design and develop end-effectors for robot arms capable of lifting batteries weighing more than 50 lbs.

GXO successfully managed the business rule change-over from seven-day lead time on outbound Walmart orders to same-day shipping. The goods-to-robot automation performed ahead of schedule during its initial ramp up. The automation improved the safety and ergonomics at the site.



Consolidated warehousing and kitting, US

Company profile

The customer is one of the largest automobile manufacturers in the world. The corporation designs, manufactures, markets and distributes vehicles and parts. The corporation also sells financial services.

Opportunity

The customer was looking to outsource and consolidate two warehousing and kitting facilities exceeding two million square feet in order to reduce costs and improve service levels. GXO consolidated the facilities into a single operation, introduced metrics tracking, drove continuous improvement and increased quality while reducing cost.

Solution

GXO secured a single, consolidated location. We developed standardized processes and coordinated the movement of material from the two legacy sites.

Additionally, GXO introduced Lean management practices and implemented a formalized continuous improvement methodology.

Results

GXO was able to complete transition ahead of schedule and under budget. With assistance from GXO standard turnaround time on outbound orders reduced from five to seven days to 48 hours. In addition, emergency outbound order turnaround time fell from one to two days to two hours.

GXO's various implementations resulted in extreme cost savings (undisclosed) realized by our customer, as well as 1.9 million square feet of excess space being eliminated.



EV spare parts distribution, US

Company profile

An American designer and manufacturer of electric cars and clean energy-related products and services.

Opportunity

In 2019, this customer began conversations with GXO about the challenges they were facing distributing spare parts to authorized service centers. As production ramped up and a new model rolled out, demand began to exceed the customer's infrastructure and systems capabilities. In some markets, vehicle owners were waiting more than 10 days for replacement parts to arrive at the service center. In the interest of providing a superior experience for their customers, they needed a logistics partner with deep expertise in parts distribution.

Solution

GXO designed a hub and spoke network model with hubs in the Dallas, Atlanta, Chicago, and Seattle areas to serve the US and Canada.

In July 2020, our customer awarded GXO contracts for the first of these two hubs – Dallas and Atlanta. At that time, the nation was still dealing with the new reality of the COVID-19 pandemic and GXO needed to minimize the number of people working at one time in each site.

GXO deployed a quick-start solution that prioritized intake and distribution of 300-400 of the most critical SKUs. As an additional safety precaution, GXO kept the IT implementation separate from the physical upfit to minimize the number of people working in each site. The Atlanta facility went live within two weeks of contract signing, and the Dallas site was online within three weeks.

Results

After the rapid launch, GXO scaled up both facilities to distribute upwards of 3,600 SKUs ranging from windshields to batteries to license-plate holders, and everything in between. The IT team migrated the site to GXO's WMS platform and integrated with the customer's transportation management system. Custom reports allow our customer to drill down into granular-level inventory and service level data.

Parts from both DCs are shipped within 48 hours. Systems capabilities enable prioritization of orders to ship high-demand parts same-day. There are also daily milk runs to service centers in the Dallas and Atlanta areas.

Our customer and GXO are moving forward with the opening of the remaining two distribution hubs, as well as in conversations to see how we can support our new partner with manufacturing in the future.



Your GXO contact



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Greg is responsible for enhancing service offerings provided to existing Automotive customers within the Americas market and establishing relationships with new customers. He has been responsible for identifying Auto-Mobility customers, capture planning, leading the pursuit process, negotiating, and the transition from RFQ to implementation. He is responsible for maintaining customer relationships, providing post implementation customer support, and ensuring customer satisfaction. His broad knowledge of the industry and years of experience have been paramount as he continually seeks new opportunities to enhance services and provide added value to customers.

Before joining GXO Logistics's Strategic Account Management team, Greg carried several Global Logistics roles for the world's largest Freight Forwarders and Integrated parcel providers within the Automotive and Engineering-Manufacturing community.



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