



Q1 FY22 Results

TOTAL REVENUE	*ADJUSTED OPERATING MARGIN	*ADJUSTED NET INCOME	*ADJUSTED DILUTED EPS
\$22 _B	6.8%	\$1.19 _B	\$4.37
▲ 14% YoY	▼ 170 bp YoY	▼ 7% YoY	▼ 10% YoY

*See table below for reconciliation to GAAP measure. Additional information included in FedEx Corp.'s first quarter fiscal year 2022 earnings release.

“The FedEx teams continue to diligently deliver for our customers under unique and challenging circumstances. The current labor environment is driving inefficiencies in the operation of our networks and significantly impacting our financial results. For the peak season ahead, service remains our focus and we are making investments in resources and capacity to meet our customers’ needs.”

— RAJ SUBRAMANIAM
FedEx President and Chief Operating Officer

Key Quarterly Headlines

The impact of constrained labor markets remains the biggest issue facing our business, as with many other companies around the world, and the estimated \$450 million in additional year-over-year costs was a key driver of our lower than expected results in the first quarter.

As e-commerce drives higher demand, we continue to strategically invest in our network to boost daily package volume capacity, increase efficiencies, and further enhance the speed and service capabilities of our networks. Q1 highlights:

- FedEx Ground opened a fully automated, state-of-the-art hub in Chino, California, that can process 30,000 packages per hour and is strategically located to help address ongoing port congestion challenges.
- FedEx Ground also continues to see year-over-year improvement in last mile efficiency thanks to route optimization technology.
- We reached a final agreement on the industrial plan at our Liege, Belgium, Express operations regarding the intended European air network transformation – an important milestone in the completion of the air network integration, which remains on track for completion in Spring 2022.

We are meticulously planning for the Peak season ahead by collaborating closely with customers to build solutions to enable them to succeed, maximizing our available capacity, and optimizing our product and customer mix through targeted pricing actions.

We are taking bold actions across the enterprise to hire and invest in our frontline team members and manage through economic challenges as we prepare for the Peak season ahead, including:

- Targeted pay premiums, particularly for weekend shifts
- Increased tuition reimbursement
- Sponsorship of a national hiring day on September 23 as we seek to hire 90,000 additional positions ahead of Peak

Our strategy remains strong despite business headwinds such as the challenging labor market, increased costs from our healthcare programs due to higher utilization, FedEx Ground investments aimed at improving service and adding capacity, and incremental air network costs due to the impact of COVID restrictions on our operations.

Dollars in millions, except EPS

	OPERATING MARGIN		NET INCOME		DILUTED EPS	
	Q1 FY22	Q1 FY21	Q1 FY22	Q1 FY21	Q1 FY22	Q1 FY21
GAAP Measure	6.4%	8.2%	\$1,112	\$1,245	\$4.09	\$4.72
Business realignment costs	0.3%	—	52	—	0.19	—
TNT Express integration expenses	0.1%	0.3%	23	38	0.08	0.14
Non-GAAP Measure	6.8%	8.5%	\$1,187	\$1,283	\$4.37	\$4.87

Certain statements herein may be considered forward-looking statements. Such statements are subject to risks, uncertainties and other factors discussed in FedEx Corp.'s first quarter fiscal year 2022 earnings release, FedEx Corp.'s, and its subsidiaries' press releases and FedEx Corp.'s filings with the Securities and Exchange Commission.