

June 23, 2022

Fiscal 2022 Free Cash Flow and Adjusted Free Cash Flow

Dollars in millions

	Fiscal 2022
Cash provided by operating activities (GAAP)	\$9,832
Capital expenditures	(6,763)
Free cash flow (non-GAAP)	3,069
Voluntary contributions to tax-qualified U.S. domestic pension plans	500
Adjusted free cash flow (non-GAAP)	\$3,569

Free cash flow and adjusted free cash flow are not defined under U.S. generally accepted accounting principles (GAAP). Therefore, they should not be considered a substitute for income or cash flow data prepared in accordance with GAAP and may not be comparable to similarly titled measures used by other companies. It should not be inferred that the company's non-GAAP free cash flow and adjusted free cash flow measures represent amounts available for discretionary expenditures.

Fiscal 2023 Adjusted Dividend Payout Ratio Forecast

Dollars in millions

	Fiscal 2023 Forecast
Cash dividends expected to be paid in fiscal 2023	\$1,175
Fiscal 2022 net income (GAAP)	3,826
Dividend payout ratio (GAAP)	31%
Cash dividends expected to be paid in fiscal 2023	\$1,175
Fiscal 2022 adjusted net income (non-GAAP)	5,502
Adjusted dividend payout ratio (non-GAAP)	21%

Fiscal 2022 Adjusted Net Income*

Dollars in millions

	Fiscal 2022
Net Income (GAAP)	\$3,826
Mark-to-market retirement plans accounting adjustments	1,199
Business realignment costs	214
FedEx Ground legal matter	160
TNT Express integration expenses	103
Adjusted net income (non-GAAP)	\$5,502

*See fourth quarter and full-year fiscal 2022 earnings release issued on June 23, 2022 for more information.