



Fiscal first quarter 2026 earnings
September 18, 2025



Jeni Hollander

VP of Investor Relations

Forward-Looking Statements and Non-GAAP Financial Measures

Certain statements in this press release may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act, such as statements regarding expected cost savings, the optimization of our network through Network 2.0, the planned tax-free full separation of the FedEx Freight business into a new publicly traded company (the "FedEx Freight Spin-Off"), future financial targets, business strategies, management's views with respect to future events and financial performance, and the assumptions underlying such expected cost savings, targets, strategies, and statements. Forward-looking statements include those preceded by, followed by or that include the words "will," "may," "could," "would," "should," "believes," "expects," "forecasts," "anticipates," "plans," "estimates," "targets," "projects," "intends" or similar expressions. Such forward looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, economic conditions in the global markets in which we operate; uncertainty and additional volatility in the global trade environment; our ability to successfully implement our business strategies and global transformation program and network optimization initiatives, including Network 2.0 and Tricolor, effectively respond to changes in market dynamics, and achieve the anticipated benefits of such strategies and actions; our ability to achieve our cost reduction initiatives and financial performance goals; the timing and amount of any costs or benefits or any specific outcome, transaction, or change (of which there can be no assurance), or the terms, timing, and structure thereof, related to our global transformation program and other ongoing reviews and initiatives; a significant data breach or other disruption to our technology infrastructure; our ability to successfully implement the FedEx Freight Spin-Off and achieve the anticipated benefits of such transaction; damage to our reputation or loss of brand equity; our ability to meet our labor and purchased transportation needs while controlling related costs; failure of third-party service providers to perform as expected, or disruptions in our relationships with those providers or their provision of services to FedEx; the effect of any international conflicts or terrorist activities, including as a result of the current conflicts between Russia and Ukraine and in the Middle East; evolving or new U.S. domestic or international laws and government regulations, policies, and actions; changes in fuel prices or currency exchange rates, including significant increases in fuel prices as a result of the ongoing conflicts between Russia and Ukraine and in the Middle East and other geopolitical and regulatory developments; the effect of intense competition; our ability to match capacity to shifting volume levels; an increase in self-insurance accruals and expenses; failure to receive or collect expected insurance coverage; our ability to effectively operate, integrate, leverage, and grow acquired businesses and realize the anticipated benefits of acquisitions and other strategic transactions; noncash impairment charges related to our goodwill and certain deferred tax assets; the future rate of e-commerce growth; future guidance, regulations, interpretations, challenges, or judicial decisions related to our tax positions; labor-related disruptions; legal challenges or changes related to service providers contracted to conduct certain linehaul and pickup-and-delivery operations and the drivers providing services on their behalf and the coverage of U.S. employees at Federal Express Corporation under the Railway Labor Act of 1926, as amended; our ability to quickly and effectively restore operations following adverse weather or a localized disaster or disturbance in a key geography; the effects of a widespread outbreak of an illness or any other communicable disease or public health crises; any liability resulting from and the costs of defending against litigation; our ability to achieve or demonstrate progress on our goal of carbon neutral operations by 2040; successful completion of planned stock repurchases; and other factors which can be found in FedEx Corp.'s and its subsidiaries' press releases and FedEx Corp.'s filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended May 31, 2025. Any forward-looking statement speaks only as of the date on which it is made. We do not undertake or assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

FedEx reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). We have supplemented the reporting of our financial information determined in accordance with GAAP with certain non-GAAP (or "adjusted") financial measures. Reconciliations of non-GAAP measures used in this presentation to the most directly comparable GAAP measures are included below under "Appendix."

The financial targets and outlook provided herein and discussed during this presentation assume the company's current economic forecast and fuel price expectations and no additional adverse economic, geopolitical or international trade-related developments. FedEx's earnings per share and effective tax rate forecasts are based on current law and related regulations and guidance. This presentation should be reviewed in conjunction with our first quarter fiscal 2026 earnings release and webcast of the earnings presentation conference call, which are available on FedEx's website at investors.fedex.com

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Raj Subramaniam
President & CEO

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Key messages

- Delivered strongest quarterly YoY revenue growth in three years and adjusted earnings* above mid-point of outlook range
- Winning business in high-value verticals, supported by high-quality service and differentiated digital tools
- Continuing to advance transformation initiatives to drive efficiency and operating leverage
- FedEx Freight spin-off remains on track

*Non-GAAP financial measure; see appendix for more information.

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Q1 FY26 results overview

Delivered first quarter YoY adjusted earnings growth amid dynamic operating environment*

Q1 FY26 Results	
Revenue	\$22.2B 3% YoY
Adj. operating income*	\$1.30B 7% YoY
Adj. operating margin*	5.8% 20 bps
Adj. EPS*	\$3.83 6% YoY

Commentary:

- Consolidated Q1 results reflect overall strength in U.S. domestic package services and operational agility
- Achieved \$200 million transformation-related cost savings target in the quarter
- Federal Express delivered adjusted operating income* growth of 17%, with adjusted margin* expansion of 70 bps
- As expected, FedEx Freight revenue remained pressured, in line with current LTL industry trends

*Non-GAAP financial measure; see appendix for more information.

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Helping our customers adapt to changing trade environment and demand trends

Tricolor strategy enabled swift network adjustments



Commentary:

- Reduced Purple tail trans-Pacific Asia outbound capacity by 25% year-over-year, and nearly 10% versus the prior quarter
- Decreased third-party White tail capacity by similar percentages
- Shifted capacity to capture profitable revenue on the Asia-to-Europe lane
- Applying learnings from China/Hong Kong de minimis exemption elimination to help shippers in rest-of-world

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Advancing our network transformation

Network 2.0 continues to deliver results

- Optimized additional ~70 U.S. stations in the first quarter, with total optimized station count of ~360 in U.S. and Canada
- Exiting September with ~3 million ADV flowing through Network 2.0-optimized stations

Europe performance improvement

- Notable improvements in labor and on-road productivity metrics YoY
- First quarter marked best new-business quarter in the past two years, with new-business volumes well balanced between B2B and B2C customers

Tricolor driving efficiencies

- Supporting greater densification and reduced unit costs across our Purple, Orange, and White networks

Data and technology underpin long-term value creation



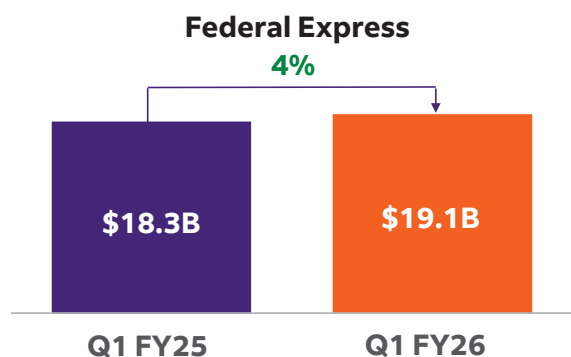
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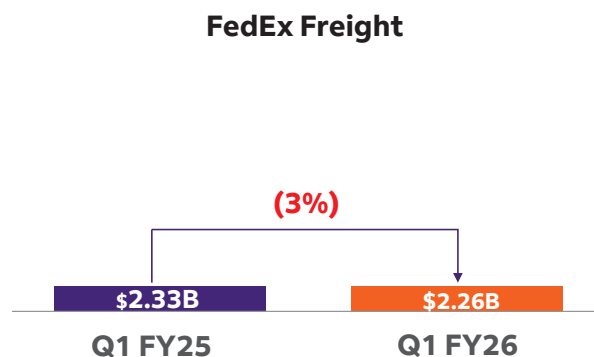
Brie Carere
EVP & Chief Customer Officer

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Transportation segment revenue performance



- Growth driven by stronger U.S. domestic package volume and yield, partially offset by lower U.S. Postal Service revenues
- Value proposition and data-driven tools continue to enable high-value vertical penetration

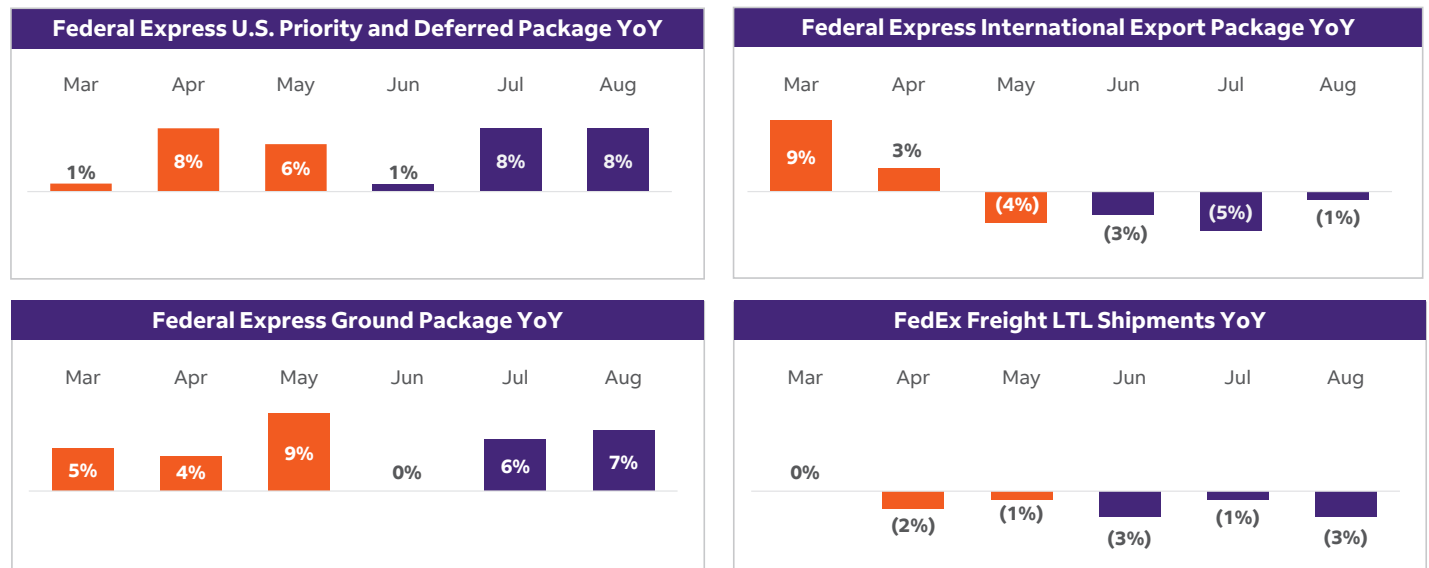


- Continued weakness in industrial economy pressured revenues, as expected
- LTL market remains rational and disciplined approach to strategic growth is unchanged

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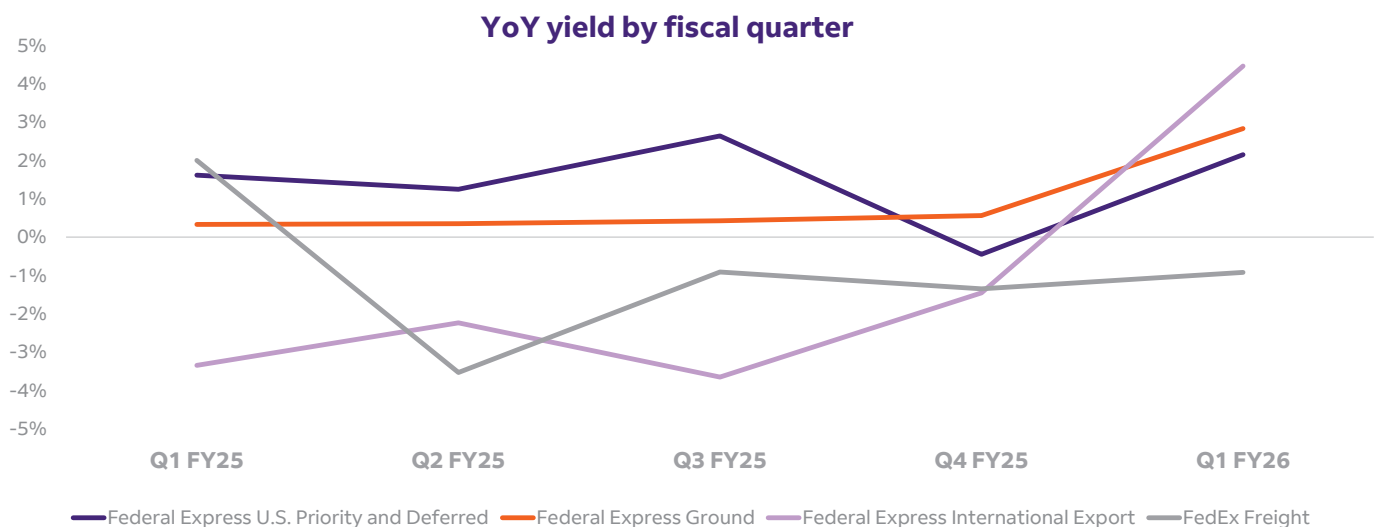
Volume trends by service

■ Q4 FY25 average daily volume / shipments
 ■ Q1 FY26 average daily volume / shipments



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Transportation segment yield performance



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Revenue outlook

Operationally ready to support Peak season



Commentary:

- Anticipating strong capture of both demand surcharges and general rate increase
- Staying close to our customers and remain operationally ready for Peak season
- Planning for modest increase in Peak ADV, and a mid-to-high single-digit percentage increase in YoY total Peak volume
- Expecting full-year revenue growth of 4% to 6%

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Strategic commercial priorities

Healthcare portfolio

- Continued momentum onboarding new healthcare business, especially within our global air freight business
- Launching new flight linking Dublin and Indianapolis, which will move goods one day faster, supporting healthcare and other high-value verticals

Small and Medium Business (SMB) portfolio

- Grew U.S. domestic SMB segment revenue by more than 10% YoY in the first quarter
- Targeted focus and strong sales execution further improve customer experience, accelerate onboarding, and support new customer acquisition
- FedEx Rewards program continues to deepen SMB customer relationships



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John Dietrich

EVP & Chief Financial Officer

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First quarter fiscal 2026 financial results

U.S. domestic package revenue growth and continued cost management delivered improved profitability



\$22.2B

Consolidated
Revenue

+3% YoY

\$1.30B

Adj. Operating
Income*

+7% YoY

\$3.83

Adj. Earnings
Per Share*

+6% YoY

\$623M

CapEx

\$345M

Dividends Paid

\$500M

Share
Repurchases

FEC

\$19.1B
Revenue

+4% YoY

\$1.16B
Adj. Operating
Income*

+17% YoY

FXF

\$2.26B
Revenue

(3%) YoY

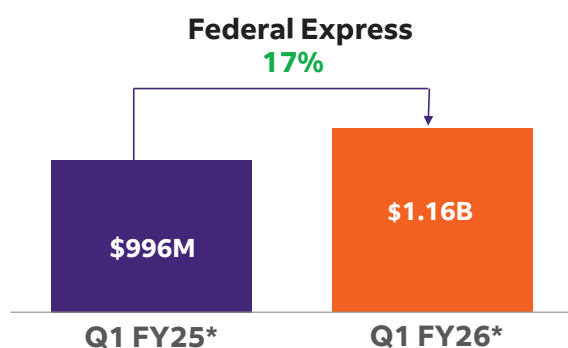
\$369M
Adj. Operating
Income*

(16%) YoY

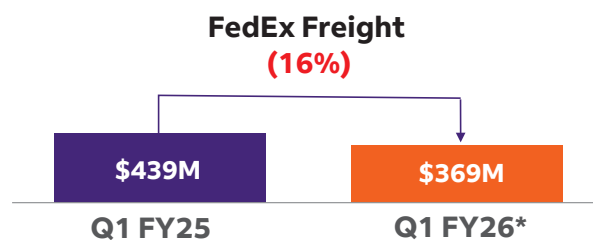
*Non-GAAP financial measure; see appendix for more information.

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Transportation segment operating income performance



- Adjusted operating income* driven by higher yields, continued cost reduction efforts, and increased U.S. domestic package volume
- Partial offsets from cost inflation, the impact of global trade environment, and the expiration of the U.S. Postal Service contract



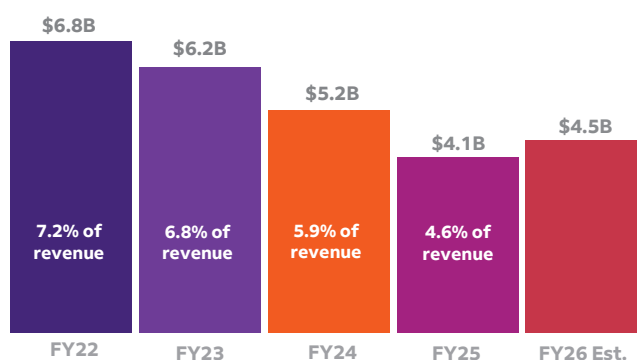
- Adjusted operating income* results decreased during the quarter due to lower revenue, higher wage rates, and the hiring of additional LTL sales professionals
- Continue to focus on revenue quality and excellent service as nation's largest LTL carrier

*Non-GAAP financial measure; see appendix for more information.

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Capital allocation priorities

Committed to prudent capital allocation



Continuing to return capital to stockholders

- Completed \$500 million of stock repurchases in the first quarter
- Increased dividend by 5% in FY26, marking fifth consecutive year of increases
- Consistent with existing BoD authorization, expect to continue repurchasing shares in FY26, subject to business and market conditions

Capital expenditures

- Reaffirming \$4.5 billion CapEx target for FY26
- First quarter CapEx driven by Network 2.0-related facility enhancements, hub modernization, and continued investments to maintain fleet

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FY26 outlook

Actively managing a wide range of scenarios

	Range
Revenue growth rate YoY	4% - 6%
Adjusted EPS*	\$17.20 - \$19.00
Effective tax rate*	~25%

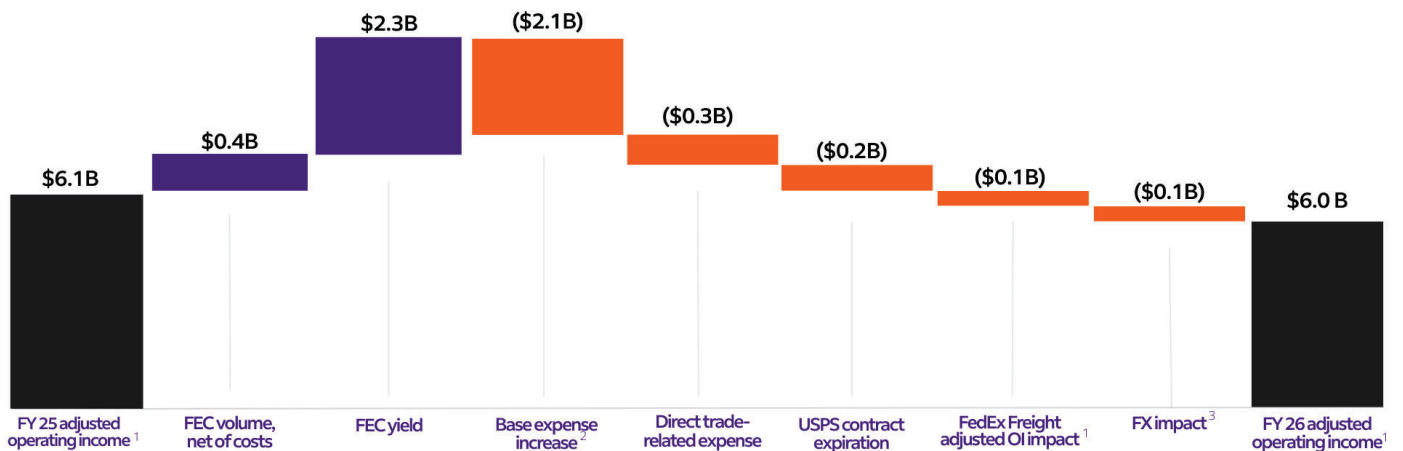
Additional assumptions:

- ~\$1 billion in transformation-related cost savings benefit
- ~\$1 billion headwind due to global trade environment
- \$160 million headwind from the U.S. Postal Service contract expiration

*Non-GAAP financial measure; prior to mark-to-market retirement plans accounting adjustments, which are impracticable to calculate at this time. See appendix for more information.

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Illustrative operating income bridge based on the midpoint of FY26 adjusted EPS* outlook



¹ Non-GAAP financial measure; see appendix for more information.

² Base expense increase excludes costs related to incremental FY26 volume, and direct trade-related expense.

³ FX impact reflects \$0.9 billion of higher expense partially offset by \$0.8 billion of higher revenue impact.

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FedEx Freight update

- Planned spin-off of FedEx Freight is on track for June 2026
- Submitted confidential Form 10 to SEC and request for IRS private letter ruling on tax treatment of transaction
- Continued progress hiring dedicated sales team, nearly 50% complete
- FedEx Freight will be listed on the New York Stock Exchange (NYSE) under ticker symbol FDXF
- FedEx Freight Investor Day planned for Spring 2026 in New York City

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Q&A



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Appendix



Non-GAAP financial measures

FY26 EPS and ETR forecasts

Our fiscal 2026 diluted earnings per share ("EPS") forecast is a non-GAAP financial measure because it excludes fiscal 2026 mark-to-market ("MTM") retirement plans accounting adjustments and estimated costs related to business optimization initiatives, the planned spin-off of FedEx Freight in fiscal 2026, and the planned fiscal year change. Our fiscal 2026 effective tax rate ("ETR") forecast is a non-GAAP financial measure because it excludes the effect of fiscal 2026 MTM retirement plans accounting adjustments. We are unable to predict the amount of the MTM retirement plans accounting adjustments, as they are significantly affected by changes in interest rates and the financial markets, so such adjustments are not included in our fiscal 2026 EPS and ETR forecasts. For this reason, a full reconciliation of our fiscal 2026 EPS and ETR forecasts to the most directly comparable GAAP measures is impracticable. It is reasonably possible, however, that our fiscal 2026 MTM retirement plans accounting adjustments could have a material effect on our fiscal 2026 consolidated financial results and ETR. The table included below titled "FY26 earnings per share forecast" outlines the effects of the items that are excluded from our FY26 EPS forecast, other than the MTM retirement plans accounting adjustments.

Our non-GAAP financial measures are intended to supplement and should be read together with, and are not an alternative or substitute for, and should not be considered superior to, our reported financial results. Accordingly, users of our financial statements should not place undue reliance on these non-GAAP financial measures. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

GAAP to non-GAAP reconciliations

Federal Express Segment

<i>Dollars in millions</i>	Q1 FY26		Q1 FY25	
	Operating Income	Margin	Operating Income	Operating Margin
GAAP measure	\$ 1,138	6.0 %	\$ 953	5.2 %
Business optimization costs	21	0.1 %	43	0.2 %
FedEx Freight spin-off costs	1	— %	—	— %
Fiscal year change costs	4	— %	—	— %
Non-GAAP measure	\$ 1,164	6.1 %	\$ 996	5.4 %

FedEx Freight Segment

<i>Dollars in millions</i>	Q1 FY26		Q1 FY25	
	Operating Income	Margin	Operating Income	Operating Margin
GAAP measure	\$ 360	16.0 %	\$ 439	18.8 %
FedEx Freight spin-off costs	9	0.4 %	—	— %
Non-GAAP measure	\$ 369	16.3 %	\$ 439	18.8 %

Note: tables may not sum to totals due to rounding.

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GAAP to non-GAAP reconciliations

FedEx Corporation

<i>Dollars in millions, except EPS</i>	Q1 FY26					Q1 FY25				
	Operating Income	Operating Margin	Income Taxes ¹	Net Income ²	Diluted Earnings Per Share	Operating Income	Operating Margin	Income Taxes ¹	Net Income ²	Diluted Earnings Per Share
GAAP measure	\$ 1,186	5.3 %	\$ 310	\$ 824	\$ 3.46	\$ 1,080	5.0 %	\$ 262	\$ 794	\$ 3.21
Business optimization costs ³	67	0.3 %	15	52	0.22	128	0.6 %	30	98	0.39
FedEx Freight spin-off costs ⁴	41	0.2 %	10	33	0.14	—	— %	—	—	—
Fiscal year change costs ⁵	4	— %	1	3	0.01	—	— %	—	—	—
Non-GAAP measure	\$ 1,298	5.8 %	\$ 336	\$ 912	\$ 3.83	\$ 1,208	5.6 %	\$ 292	\$ 892	\$ 3.60

1,2,3,4,5 See "Footnotes for Non-GAAP Reconciliation Slides" below for details.
Note: tables may not sum to totals due to rounding.

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GAAP to non-GAAP reconciliations

FedEx Corporation

Full Year FY25

<i>Dollars in millions, except EPS</i>	Operating Income	Operating Margin	Income Taxes ¹	Net Income ²	Diluted Earnings Per Share
GAAP measure	\$ 5,217	5.9 %	\$ 1,349	\$ 4,092	\$ 16.81
MTM retirement plans accounting adjustment ⁷	—	—	(125)	(390)	(1.60)
Business optimization costs ³	756	0.9 %	178	577	2.37
International regulatory and legacy FedEx Ground legal matters ⁵	88	0.1 %	(2)	90	0.37
FedEx Freight spin-off costs ⁸	38	—	13	44	0.18
Asset impairment charges ⁵	21	—	5	16	0.06
Non-GAAP measure	\$ 6,120	7.0 %	\$ 1,418	\$ 4,429	\$ 18.19

1,2,3,5,7,8 See "Footnotes for Non-GAAP Reconciliation Slides" below for details.
Note: tables may not sum to totals due to rounding.

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GAAP to non-GAAP reconciliations

FY26 Diluted Earnings Per Share Forecast

FY26 Outlook

<i>Dollars in millions, except EPS</i>	Adjustments	Diluted Earnings per Share
Diluted earnings per share before MTM retirement plans accounting adjustments (non-GAAP) ⁶		\$14.20 to \$16.00
FedEx Freight spin-off costs	\$600	
Business Optimization	310	
Fiscal year change costs	30	
Total adjustments	\$940	
Income tax effect ¹	(215)	
Net of tax effect	\$725	3.00
Diluted earnings per share with adjustments (non-GAAP) ⁶		\$17.20 to \$19.00

FY26 Outlook Midpoint Operating Income Forecast

<i>Dollars in millions</i>	FY26 Outlook
Operating income (GAAP measure)	\$5,060
FedEx Freight spin-off costs	600
Business Optimization	310
Fiscal year change costs	30
Total adjustments	940
Operating income (Non-GAAP measure)	\$6,000

1,6 See "Footnotes for Non-GAAP Reconciliation Slides" below for details.
Note: tables may not sum to totals due to rounding.

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Footnotes for non-GAAP reconciliation slides

- 1 - Income taxes are based on the company's approximate statutory tax rates applicable to each transaction.
- 2 - Effect of "total other (expense) income" on net income amount not shown.
- 3 - These expenses were recognized at Corporate, other, and eliminations, as well as Federal Express.
- 4 - These expenses were recognized at Corporate, other, and eliminations, FedEx Freight, as well as Federal Express.
- 5 - These expenses were recognized at Federal Express.
- 6 - The MTM retirement plans accounting adjustments, which are impracticable to calculate at this time, are excluded.
- 7 - The MTM retirement plans accounting adjustment reflects the year-end adjustment to the valuation of the company's defined benefit pension and other postretirement plans.
- 8 - These expenses were recognized at Corporate, other, and eliminations.