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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, including regulatory and/or legal compliance requirements that can affect our ability to efficiently or fully utilize our aircraft; 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 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. Fiscal 2026 guidance discussed during the presentation was effective on December 18, 2025. Nothing discussed during this presentation should be constructed as reaffirming or disaffirming such guidance.

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Key messages

- Sincere thank you to FedEx team working to deliver a successful Peak
- Strong Q2 financial performance with high-single-digit revenue growth, margin expansion, and high-teens adjusted EPS* growth despite significant external headwinds
- Continued commercial execution, providing excellent service and winning new business in high value verticals
- Network transformation continues with progress on Network 2.0, Tricolor, and structural cost reductions, all enabled by data and technology
- FedEx Freight separation on track for June 1, 2026, with full leadership team in place

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

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Q2 FY26 results overview

Delivered strong second quarter revenue and earnings growth year-over-year

Q2 FY26 Results	
Revenue	\$23.5B 7% YoY
Adj. operating income*	\$1.6B 17% YoY
Adj. operating margin*	6.9% +60 bps
Adj. EPS*	\$4.82 19% YoY

Commentary:

- Revenue growth and improved profitability largely driven by yield and volume strength across U.S. domestic package services
- Achieved transformation-related cost savings target
- FEC delivered an 8% increase in revenue, grew adjusted operating income* by 24%, and expanded adjusted operating margin* by 100 bps
- Consistent with weak LTL industry trends, FedEx Freight results remained pressured, but continue to maintain focus on strong yields
- Raising revenue and adjusted EPS* outlook ranges

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

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Results demonstrate the resilience and transformation of our industrial network

Supported by network, organizational, and digital transformation



Commentary:

- Q2 performance showcases resilience and underscores tangible progress with network transformation
- Swiftly managing network despite shifting global trade patterns and unexpected MD11 groundings
- Reduced Purple-tail trans-Pacific capacity by ~25% YoY; trimmed White-tail (third-party) capacity by ~35%
- Successfully managing strategic capacity shifts to the Asia-to-Europe lane
- Seeing ~24% of eligible average daily volume (ADV) flowing through 355 Network 2.0-optimized facilities

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Data and technology at the foundation

AI adoption across the enterprise

- Data and technology continue to play a foundational role in enterprise transformation
- Scaling AI adoption via tiered learnings across the company to 500,000+ employees
- Customizing the curriculum to be directly relevant to each team member's specific role, experience level, and existing AI fluency

New technology-focused revenue opportunities

- Actively pursuing opportunities to bring digital solutions to the market, including logistics intelligence insights
- Recently announced strategic collaboration with ServiceNow demonstrates value of proprietary insights



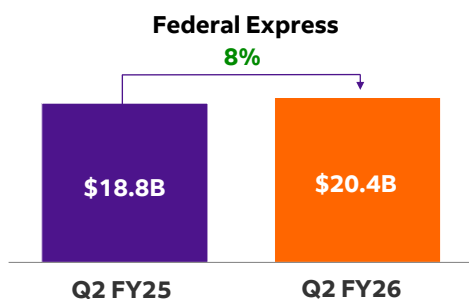
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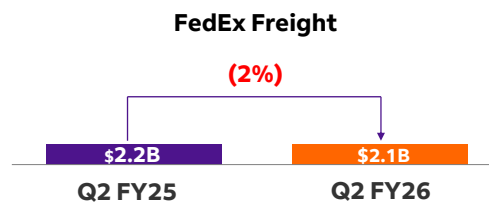


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Transportation segment revenue performance



- FEC revenue growth driven by improved U.S. domestic and International Priority package yields and U.S. domestic package volume growth across all services
- U.S. domestic package revenue growth up double digits across all services (priority +11%, deferred +16%, ground +11%)



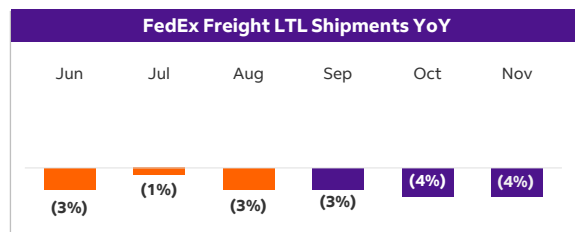
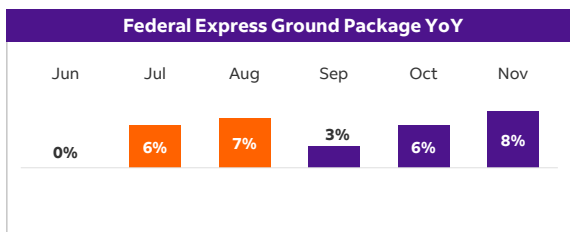
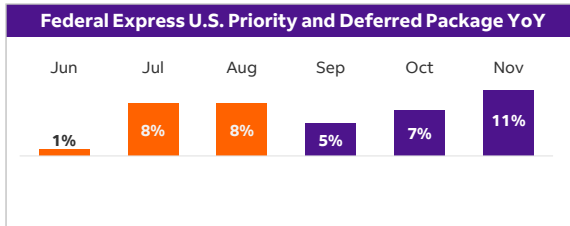
- FedEx Freight revenue pressured by lower average daily shipments (ADS)
- Revenue per shipment 2% higher YoY
- LTL market remains rational, coupled with commercial team's disciplined approach to strategic growth unchanged

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Volume trends by service

Q1 FY26 average daily volume / shipments Q2 FY26 average daily volume / shipments

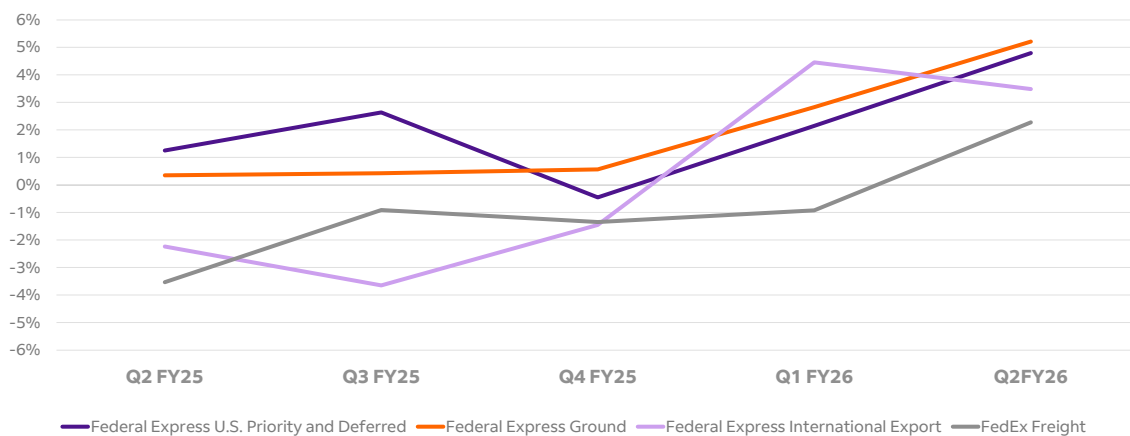


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Transportation segment yield performance

YoY yield by fiscal quarter



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Strategic commercial priorities

B2B verticals

- Strong momentum in priority verticals (healthcare, automotive, aerospace)
- Nearly 50% of Q2 revenue growth from B2B customers, showcasing our wins in premium markets
- Newly created data center sales vertical will further drive growth

Small and Medium Businesses (SMB)

- Digital strategies are supporting revenue growth and creating better outcomes for customers
- Deploying digital tools to provide customers with enhanced visibility, leading to reduced customer service calls and decreased outages within transit data



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Revenue outlook

Planning for strong growth and focused execution



Commentary:

- Expect consolidated revenue growth of 5%-6%, supported by sustained U.S. domestic yield and volume growth
- Anticipate second half international export ADV to remain pressured due to the global trade environment, with a partial offset from yield growth
- At FEC, now expect ~7% revenue growth year-over-year, supported by Peak trends and revenue quality actions
- Implemented fuel surcharge adjustment in December to maintain service integrity, and expect strong capture of GRI which goes into effect January 2026
- The FedEx Freight revenue outlook is now assumed to be flat to slightly down year-over-year, with yield growth providing an offset to a low-single-digit decline in shipments

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Second quarter fiscal 2026 financial results

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



\$23.5B Consolidated Revenue 7% YoY	\$1.6B Adj. Operating Income* 17% YoY	\$4.82 Adj. Earnings Per Share* 19% YoY
\$757M CapEx	\$342M Dividends Paid	\$276M Share Repurchases

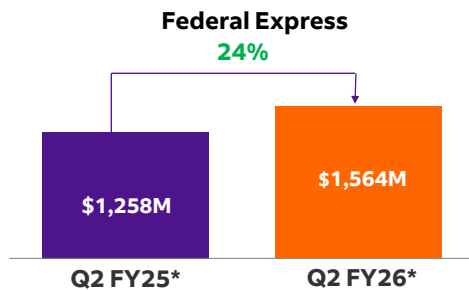
FEC	\$20.4B Revenue +8% YoY	FXF	\$2.1B Revenue (2%) YoY
	\$1.6B Adj. Operating Income* +24% YoY		\$242M Adj. Operating Income* (22%) YoY

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

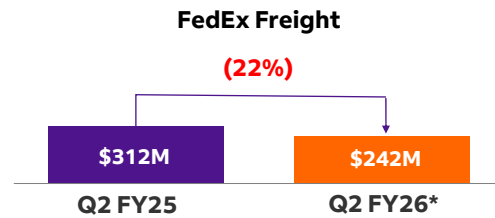
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Transportation segment adjusted operating income* performance



- FEC adjusted operating income* growth driven by higher U.S. domestic and International Priority package yields, continued structural cost reductions, and increased U.S. domestic package volume
- Partially offset by the financial impact of global trade policy changes, higher wage rates and variable incentive compensation expenses, purchased transportation rates, and the grounding of the MD11 aircraft fleet



- FedEx Freight results declined due to lower shipments, higher wage rates, and the hiring of additional dedicated LTL sales professionals, partially offset by higher yields
- Yields inflected positive in the quarter demonstrating disciplined strategy

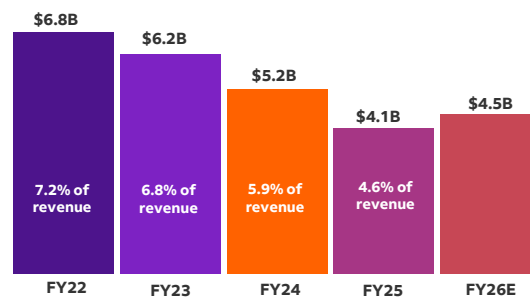
*Non-GAAP financial measure; see appendix for more information.

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Capital allocation priorities

Committed to prudent capital allocation and maximizing stockholder returns



Commentary

- Opportunistically executed \$276M of stock repurchases in the quarter
- Year-to-date CapEx of \$1.4B driven by Network 2.0-related facility enhancements, hub modernization, and continued investments to maintain fleet
- Further reducing expected pension cash contribution to \$275M, compared to prior forecast of up to \$400M

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FY26 outlook

Raising adjusted EPS* range based on business trends known today

	Range
Revenue growth rate YoY	5% - 6%
Adjusted EPS*	\$17.80 - \$19.00
Effective tax rate*	~25%

Midpoint of \$18.40 assumes:

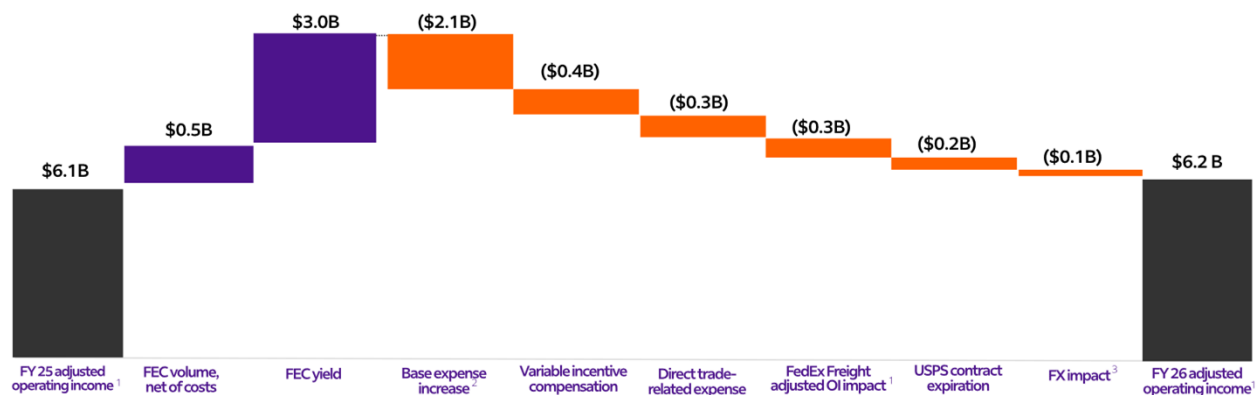
- FEC revenue growth of 7%, and FedEx Freight revenue slightly down
- FEC adjusted operating margin* up slightly, and FedEx Freight margin down YOY
- Higher variable incentive compensation accruals
- Lowered FedEx Freight expectations
- Continued headwinds due to the grounding of the MD11 aircraft fleet

*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 EPS¹ outlook



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

² Base Expense Increase excludes costs related to incremental FY26 volume, variable incentive compensation, and direct trade-related expense.

³ FX impact reflects \$0.7 billion of higher expense partially offset by \$0.6 billion of higher revenue impact.

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FedEx Freight update

- Planned spin-off of FedEx Freight is on track for June 2026
- Leadership team fully in place
- Submitted confidential Form 10 with SEC and expected to be available in January 2026
- Continued progress hiring dedicated sales team, nearly complete
- FedEx Freight will be listed on the New York Stock Exchange (NYSE) under ticker symbol FDXF
- FedEx Freight Investor Day planned for April 8, 2026, in New York City

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Appendix



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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, estimated costs related to business optimization initiatives, the planned spin-off of FedEx Freight in fiscal 2026, the planned fiscal year change, and the partial reversal of a loss accrual related to an international regulatory matter. 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.

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GAAP to non-GAAP reconciliations

FedEx Corporation

<i>Dollars in millions, except EPS</i>	Q2 FY26					Q2 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	\$ 1,378	5.9 %	\$ 333	\$ 956	\$ 4.04	\$ 1,052	4.8 %	\$ 240	\$ 741	\$ 3.03
Business optimization costs ³	30	0.1 %	5	25	0.10	326	1.5 %	77	249	1.02
FedEx Freight spin-off costs ⁴	205	0.9 %	34	171	0.72	—	— %	—	—	—
Fiscal year change costs ³	8	— %	2	6	0.03	—	— %	—	—	—
International regulatory matter ⁵	(12)	(0.1)%	4	(16)	(0.07)	—	— %	—	—	—
Non-GAAP measure	\$ 1,609	6.9 %	\$ 378	\$ 1,142	\$ 4.82	\$ 1,378	6.3 %	\$ 317	\$ 990	\$ 4.05

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

Federal Express Segment

<i>Dollars in millions</i>	Q2 FY26		Q2 FY25	
	Operating Income	Operating Margin	Operating Income	Operating Margin
GAAP measure	\$ 1,551	7.6 %	\$ 1,052	5.6 %
Business optimization costs	7	— %	206	1.1 %
FedEx Freight spin-off costs	11	0.1 %	—	— %
Fiscal year change costs	7	— %	—	— %
International regulatory matter	(12)	(0.1)%	—	— %
Non-GAAP measure	\$ 1,564	7.7 %	\$ 1,258	6.7 %

FedEx Freight Segment

<i>Dollars in millions</i>	Q2 FY26		Q2 FY25	
	Operating Income	Operating Margin	Operating Income	Operating Margin
GAAP measure	\$ 90	4.2 %	\$ 312	14.3 %
FedEx Freight spin-off costs	152	7.1 %	—	— %
Non-GAAP measure	\$ 242	11.3 %	\$ 312	14.3 %

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>	Full Year FY25				
	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 ⁶	—	—	(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 ⁷	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

1,2,3,5,6,7 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

<i>Dollars in millions, except EPS</i>	FY26 Outlook	
	Adjustments	Diluted Earnings per Share
Diluted earnings per share before MTM retirement plans accounting adjustments (non-GAAP) ⁸		\$14.80 to \$16.00
FedEx Freight spin-off costs	\$ 600	
Business optimization costs	310	
Fiscal year change costs	30	
International regulatory matter	(12)	
Total adjustments	928	
Income tax effect ¹	(208)	
Net of tax effect	\$ 720	3.00
Diluted earnings per share with adjustments (non-GAAP) ⁸		\$17.80 to \$19.00

FY26 Outlook Midpoint Operating Income Forecast

<i>Dollars in millions, except EPS</i>	FY26 Outlook	
Operating income (GAAP measure)	\$	5,272
FedEx Freight spin-off costs		600
Business optimization costs		310
Fiscal year change costs		30
International regulatory matter		(12)
Total adjustments		928
Operating income (Non-GAAP measure)	\$	6,200

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

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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 FedEx Freight, Corporate, other, and eliminations, as well as Federal Express.
- 5 - These expenses were recognized at Federal Express, as well as Corporate, other, and eliminations.
- 6 - 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.
- 7 - These expenses were recognized at Corporate, other, and eliminations.
- 8 - The MTM retirement plans accounting adjustments, which are impracticable to calculate at this time, are excluded.

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