Investor Relations

Roadshow presentation

October 28, 2026



Forward-Looking Statements and Non-GAAP Financial Measures

Certain statements in this presentation may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements regarding expected cost savings, 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," "determined to," 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, including our 2029 financial performance targets; our ability to achieve the anticipated benefits of the tax-free full separation of the FedEx Freight business into a new publicly traded company (the "FedEx Freight Spin-Off"); the possibility of disruption, including changes to existing business relationships, disputes, litigation, or unanticipated costs in connection with the FedEx Freight Spin-Off; 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; 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; loss or delay in the collection of accounts receivable, including those related to tariffs in light of recent judicial rulings; the effect of technology developments, including autonomous technology and artificial intelligence; our ability to effectively operate, integrate, leverage, and grow acquired businesses and complete and realize the anticipated benefits of acquisitions and other strategic transactions including FedEx's investment in InPost, as a consortium member, and related commercial agreements; 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 tariffs and 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, including refunds of tariffs; our ability to achieve or demonstrate progress on our goal of carbon-neutral operations by 2040; successful completion of future 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, 2026 and subsequent Quarterly Reports on Form 10-Q. 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, successful completion of planned stock repurchases, 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 third quarter ended September 30, 2026 earnings release and webcast of the earnings presentation conference call, which is available on FedEx's website at investors.fedex.com.

IMPORTANT NOTICE

This presentation includes the Company's 2029 financial targets as presented at FedEx Corporation (FedEx") Investor Day on February 12, 2026.

Effective June 1, 2026, FedEx Corporation ("FedEx") changed its fiscal year end from May 31 to December 31. On June 1, 2026, FedEx completed its spin-off of FedEx's less-than-truckload freight transportation services business conducted through FedEx Freight ("FedEx Freight") into a new, publicly traded company (the "Spin-Off"). Historical financial information in this presentation may (1) be presented on the basis of FedEx's prior fiscal year end (May 31) or calendar year end (December 31) and (2) may reflect FedEx Freight as either a continuing operation or a discontinued operation. Accordingly, financial information presented in this presentation may not be directly comparable across periods. Certain estimated fiscal year 2026 financial information (FY26E) has been updated to reflect actual fiscal year 2026 results (FY26), each as noted in the applicable footnotes. This presentation also identifies whether financial information is presented on the basis of the Company's prior fiscal year ended May 31 (FY26) or calendar year ended December 31 (CY26). CY26 excludes FedEx Freight.

Please refer to the accompanying disclosures and reconciliations for additional information.



Unmatched global network

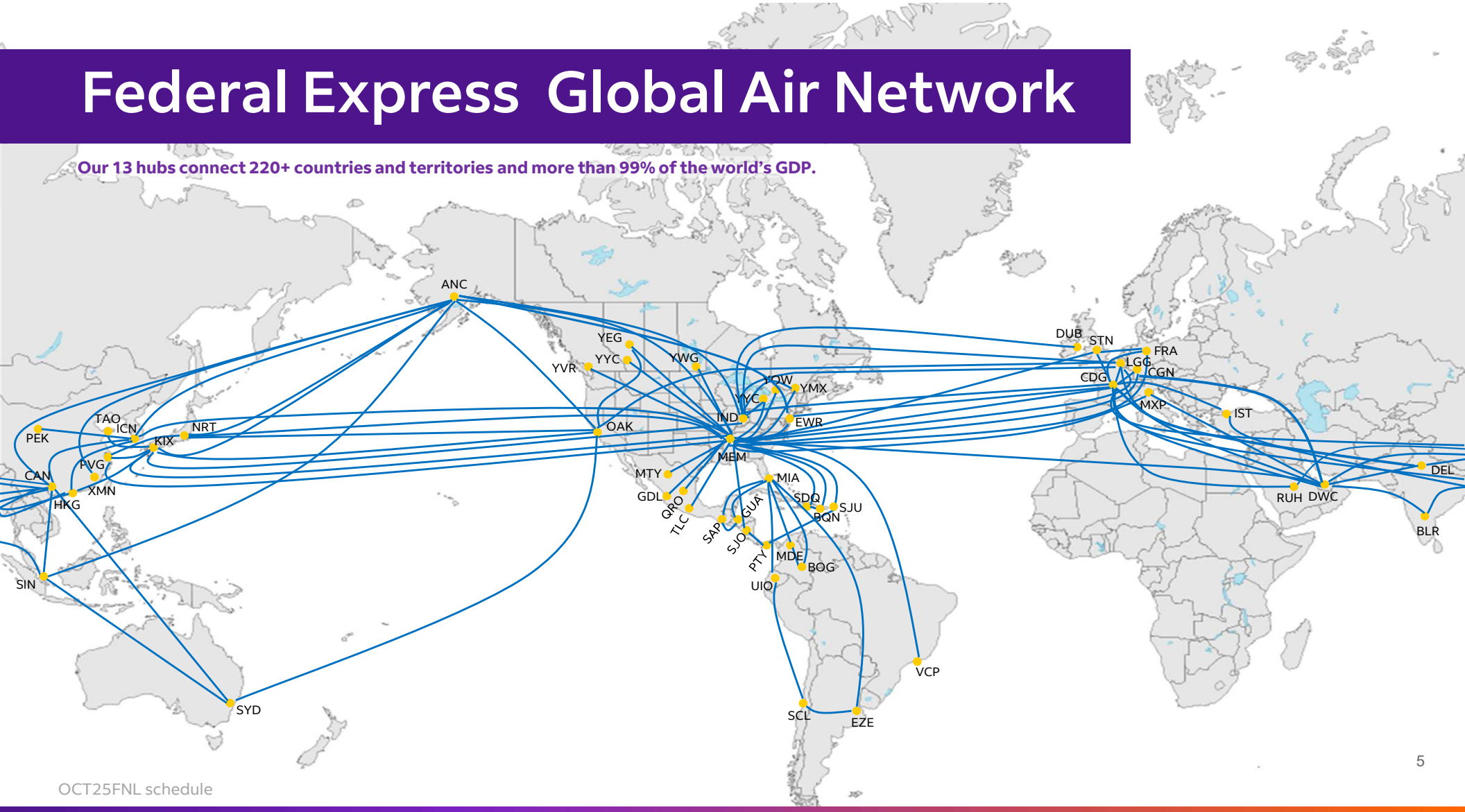
Linking more than 99% of world's GDP

- Over 220 countries and territories, including every address in the U.S.
- 697 aircraft and more than 175,000 motorized vehicles
- More than 4,000 operating facilities; more than 650 airports served worldwide
- Approximately 17M shipments per day*
- More than 450,000 employees worldwide

*Average daily volume information for Q3 CY26, YTD

Federal Express Global Air Network

Our 13 hubs connect 220+ countries and territories and more than 99% of the world's GDP.



OCT25FNL schedule

CY26 outlook[1]

	Jun 2026	Oct 2026
Revenue growth rate YoY	~11%	~12%
Adjusted EPS*	$16.90 – $18.10	$18.00 – $18.60
Effective Tax Rate*	~23%	~22.5%
CapEx	$3.9B	$3.9B
Adj. Free Cash Flow*	N/A	~$4B

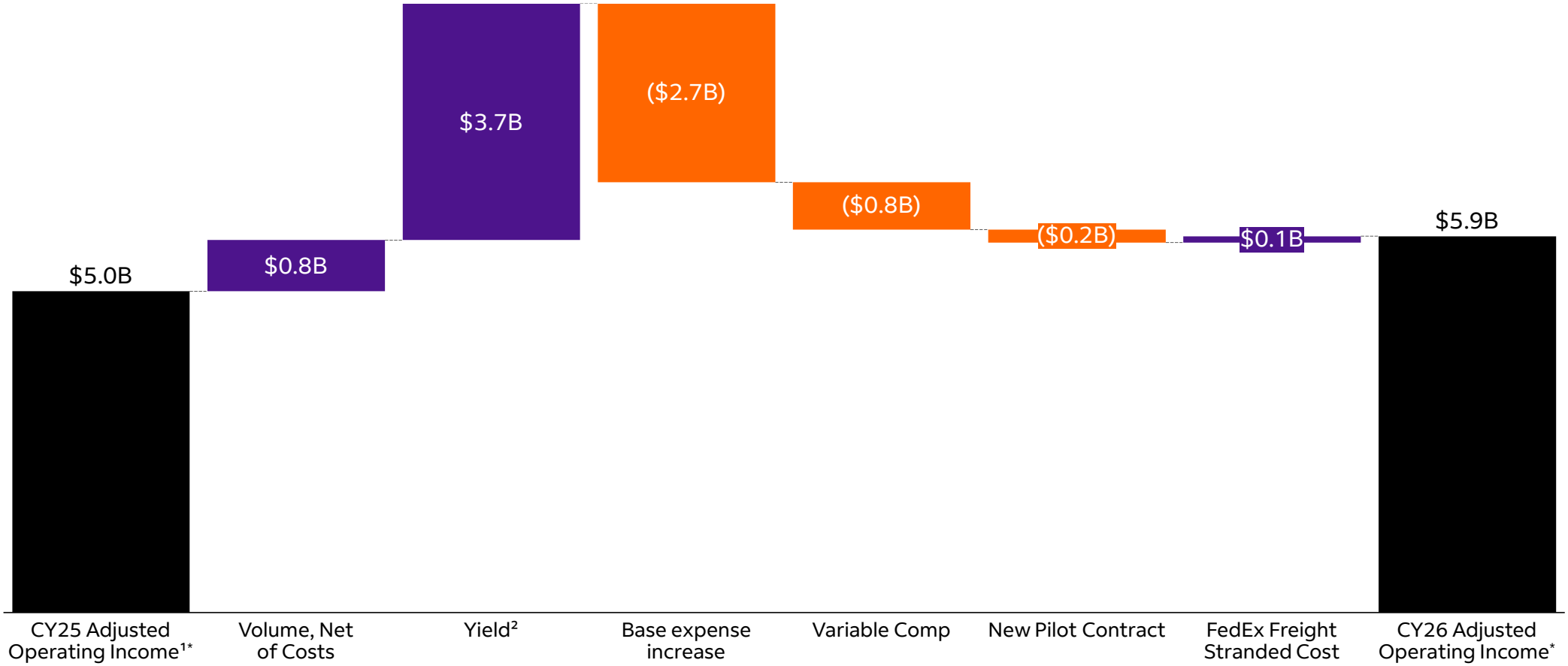
Details:

- Q1 adjusted EPS was $3.25; Q2 adjusted EPS was $4.98, including $2.03 of adjusted EPS for the month of June
- Given year-to-date performance, raising and tightening adjusted EPS range
- Adjusted EPS midpoint of $18.30 implies a 23% increase year-over-year
- Expect consolidated revenue growth of ~12%, with about four percentage points of fuel-price driven surcharge revenue benefit
- Expect full-year adjusted operating margin to be up slightly year-over-year despite the fuel-related impact

*Non-GAAP financial measure; prior to mark-to-market (MTM) adjustments for retirement plan accounting, adjustments related to MTM accounting for the FedEx Freight investment, and a $263 million deferred income tax benefit on FedEx Supply Chain basis difference.

1 - As of October 28, 2026

Illustrative operating income bridge based on the midpoint of CY26 adjusted EPS* outlook[3]

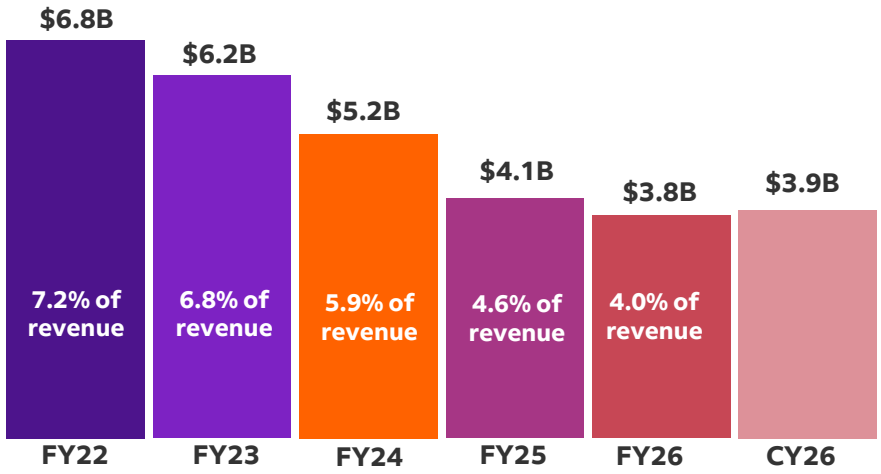


1-Includes ~$350 million of stranded costs from FedEx Freight
2-Yield excludes fuel-price driven surcharge variations and currency exchange rate effects.
3 - As of October 28, 2026

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

Capital allocation priorities

Taking a balanced approach, in support of stockholder value creation



- Repurchased $2 billion of FedEx stock in June-September period; have an additional $4.3 billion authorized by the Board
- Reduced share count 25% since FY13; remain focused on disciplined capital allocation as we progress toward our $6 billion 2029 adjusted free cash flow* target
- Expect $3.9 billion CapEx for CY26 of which 90% is maintenance or efficiency related; remain committed to 4% 2029 CapEx-to-revenue target and $1 billion or less in annual aircraft CapEx

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

FedEx Business Trends

Meeting consumer demands

- Year-round, seven-day-per-week U.S. residential delivery through our ground services*
- Significantly later pick up times offered with FedEx Extra Hours Service
- Widespread retail convenience network of nearly 45,000 locations, including Walgreens, Dollar General, and FedEx Office
- No box or label required for returns at more than 2,000 FedEx Office locations with FedEx Consolidated Returns
- Building our network's capabilities to more efficiently handle growth in large items

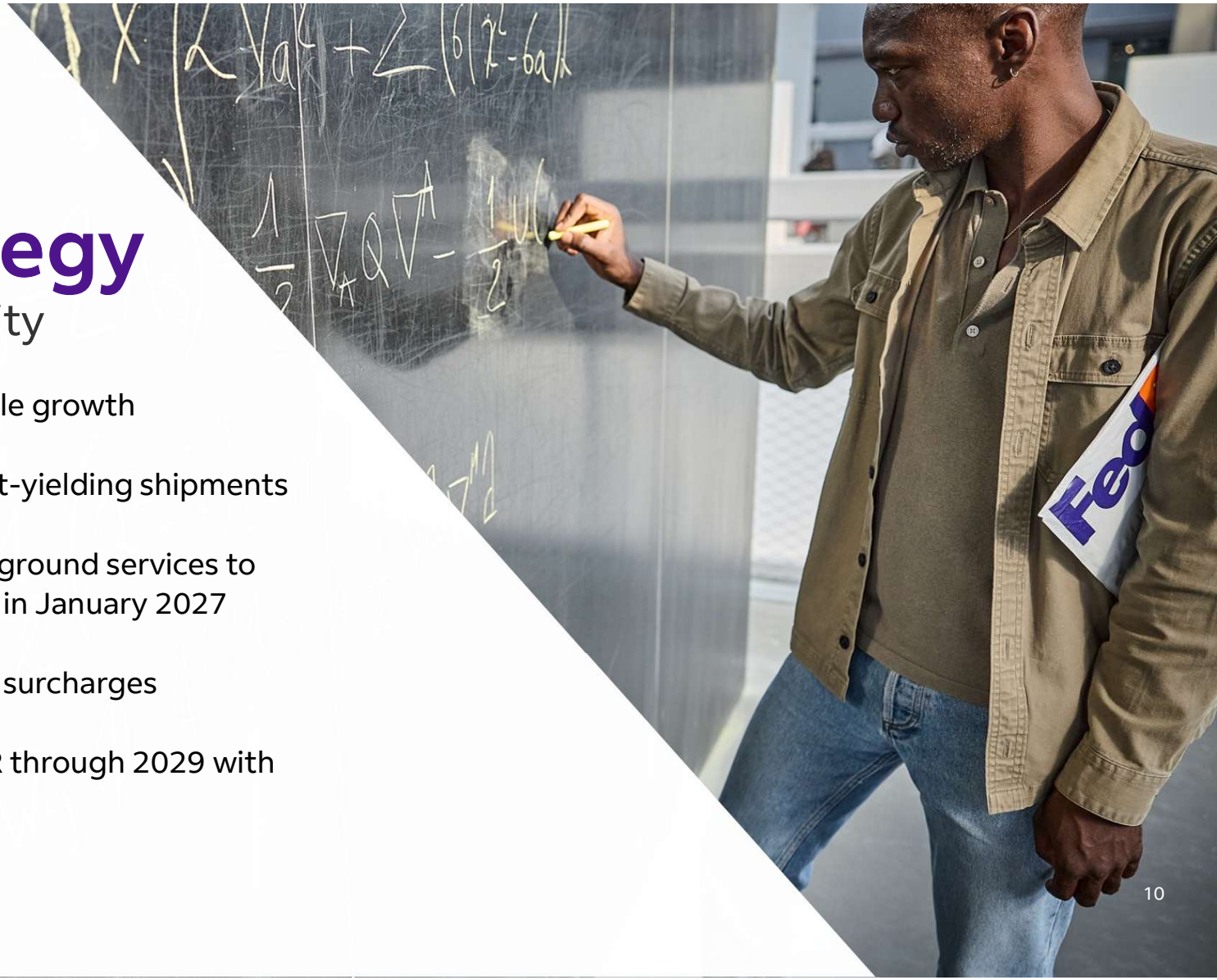
*Sunday residential delivery offered to 67% of the U.S. population as of June 2025.



Pricing Strategy

Improving revenue quality

- Focused on long-term profitable growth
- Prioritizing capacity for highest-yielding shipments
- Shipping rates for express and ground services to increase by an average of 5.9% in January 2027
- Additional changes to fees and surcharges
- Assume 2% yield growth CAGR through 2029 with upside opportunity



Strong portfolio of package services



U.S. Domestic Express

- 1–3 days transit time
- Time-definite
- Money Back Guarantee
- Declared value up to $50K



Home Delivery

- 1–5 days transit time*
- Day-definite
- Declared value up to $50K



International Express

- 1–7 days transit time**
- Includes International Priority and International Economy

*Transit time is for the continental U.S.

*Transit time for International Express dependent on origin and destination

Serving the global airfreight market

Global airfreight market represents total addressable market[1] (TAM) of $90B



U.S. Domestic Freight



International Priority Freight



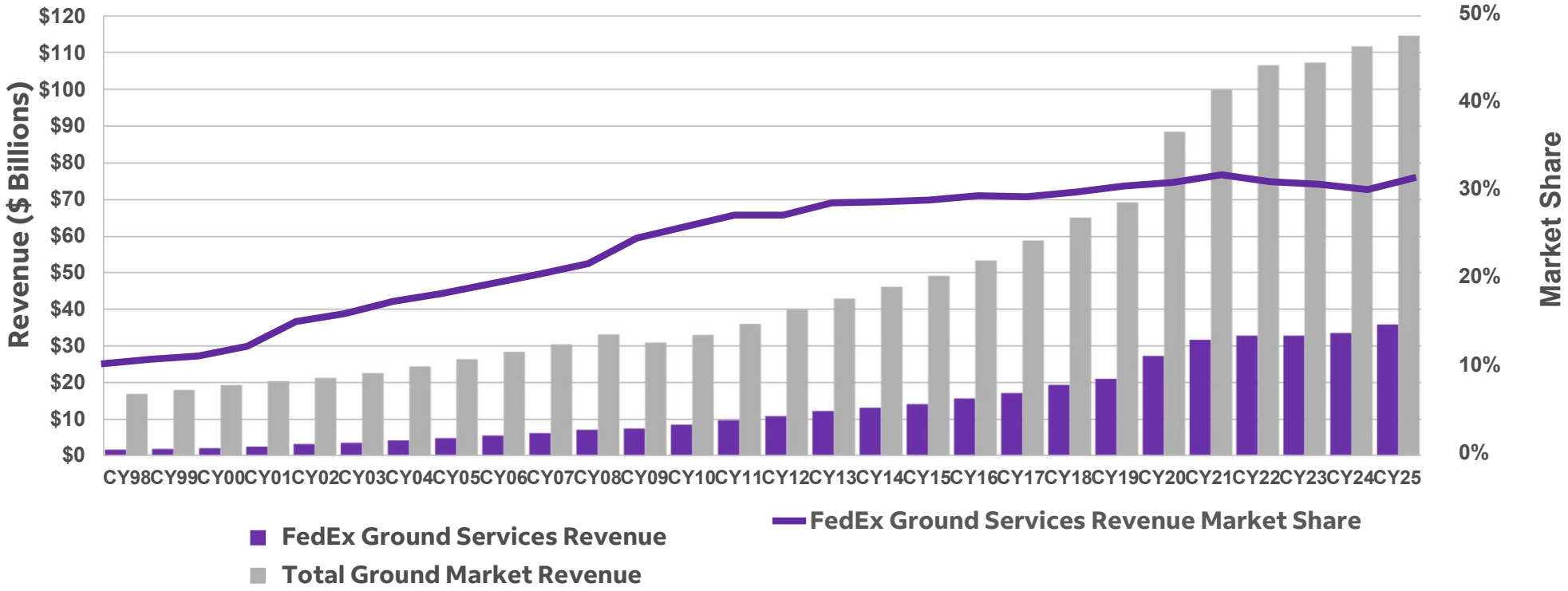
International Economy Freight

Common Value-Added Services

- Control Tower with Enhanced Monitoring & Intervention
- Enhanced Visibility
- FedEx Specialized Solutions
- Oversized Moves
- Enhanced Security
- Custom P&D Option

1. FedEx estimate

FedEx Ground Revenue Market Share Has Grown to More Than 31%



Source: FedEx analysis Notes: Figures exclude USPS Priority Mail; Ground Market includes USPS Workshare and Parcel Select Products

Go-Forward Strategy

B2B **GROWTH STRATEGY**

Target verticals represent a combined total addressable market[1] (TAM) >$130B



HEALTHCARE



AUTOMOTIVE



DATA CENTERS



AEROSPACE

1. FedEx estimate including parcel and airfreight

GROWING & LEADING **INDUSTRIAL NETWORK**

Breadth and balance of portfolio create a powerful and differentiated network

U.S. DOMESTIC

Intelligent, integrated network powering U.S. commerce

45% B2B revenue[1]

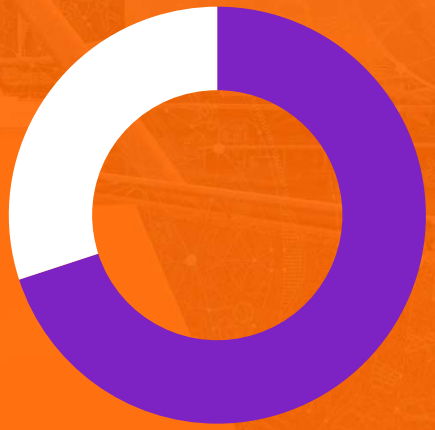
INTERNATIONAL

Leading network with global reach and focus on growth markets

75% B2B revenue[1]

GLOBAL PORTFOLIO[1]

30%
INTERNATIONAL REVENUE



70%
U.S. DOMESTIC REVENUE

1. Based on FY25 FEC revenue

WINNING **HIGH-VALUE B2C**

Growing profitable share in higher-value, longer-haul B2C

B2C OPPORTUNITY

~$95B TOTAL B2C TAM[1]

>30% GLOBAL FEDEX B2C MARKET SHARE

COMPETITIVE ADVANTAGES[3]

- 70% of ground service revenue from shipments traveling >300 miles
- Advanced digital suite of solutions
- Superior value proposition and disciplined focus on revenue quality
- Luxury goods TAM of $3B
- Large package growth

FEDEX TARGET:

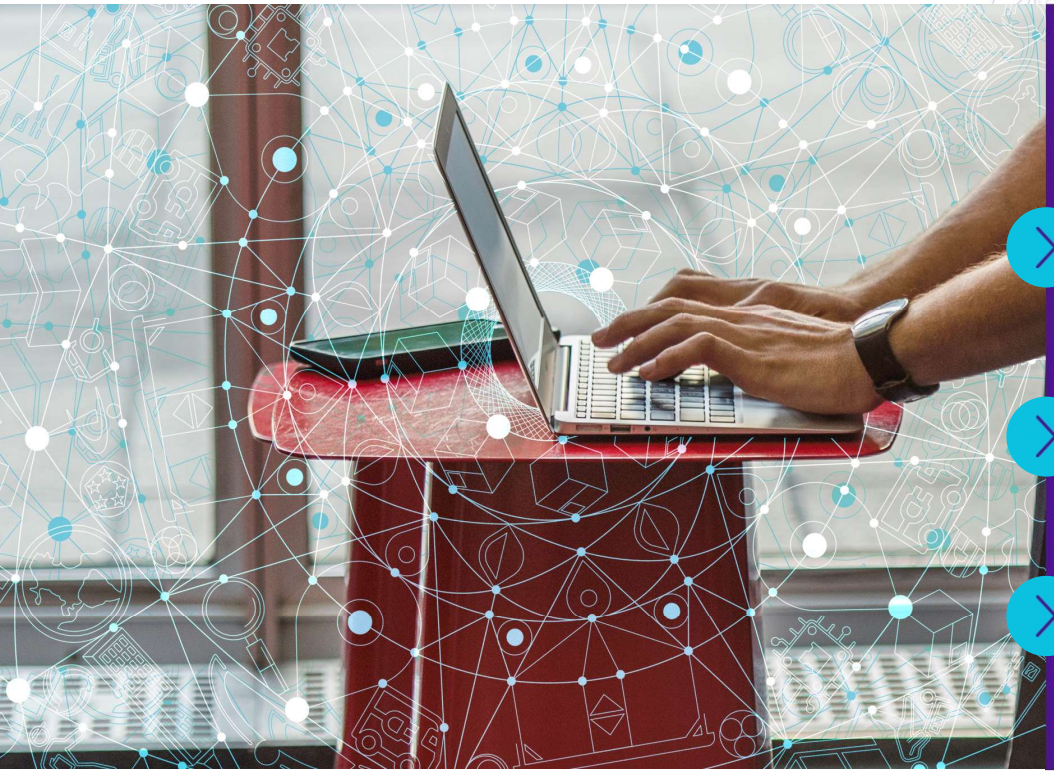
Low-single digit

Volume growth CAGR[2]



1. As of FY26 2. Based on FY26A-2029E 3. Investor Day, February 12, 2026

DATAWORKS NEXT:
FROM INSIGHTS TO ORCHESTRATION



THREE LAYERS OF VALUE CREATION

DATA INTELLIGENCE & INSIGHTS

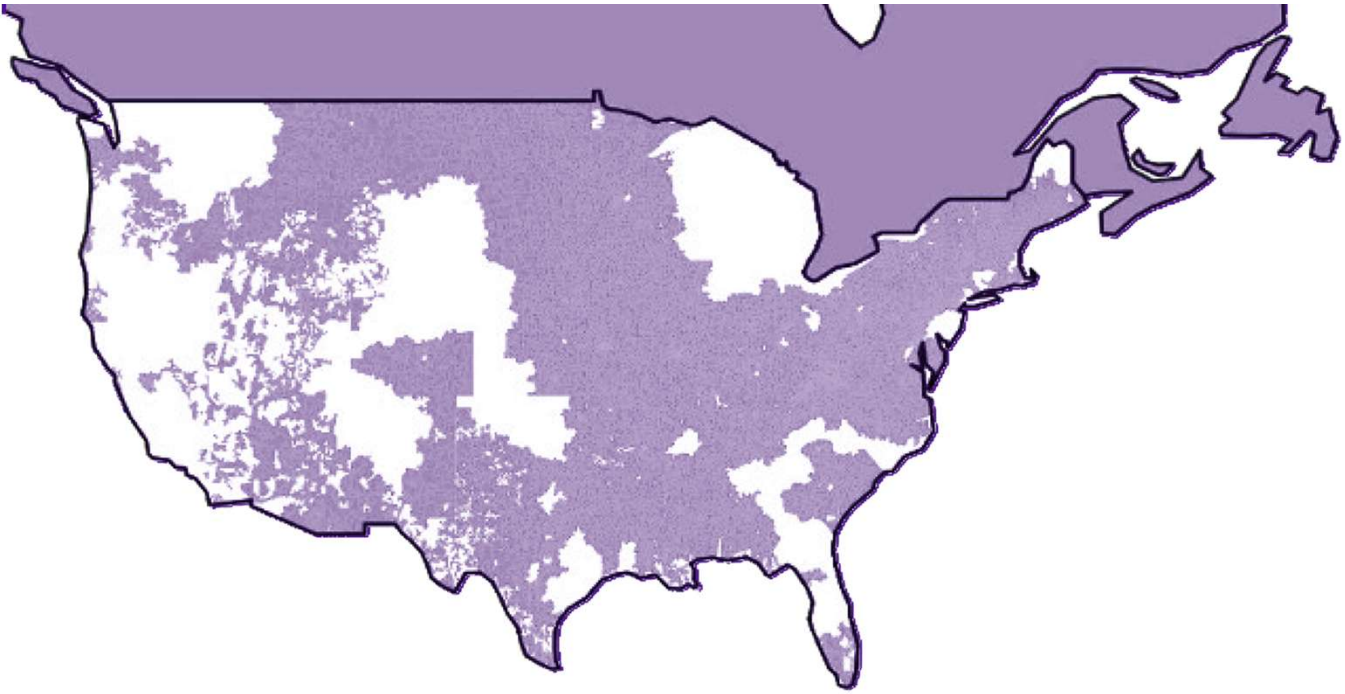
Embed predictive signals and benchmarks into customer workflows, as we are doing with ServiceNow and Dun & Bradstreet partnerships

PRODUCTIZED CAPABILITIES

Externalize proven internal tools (planning, risk, customs intelligence) as modular offerings

ORCHESTRATION

Selectively coordinate action across multiple parties—closing the loop between digital insight and physical execution



ENTERING THE SCALING PHASE: **FROM PROOF OF CONCEPT TO ENTERPRISE**

FOCUS SHIFTING TO LARGEST METROS AND SCALE ROLLOUT COMPLETION

Optimized geography as of Sept. 30 CY26

Network 2.0

Progress as of Sept. 30 CY26

~65%

of eligible U.S. and Canada ADV optimized

PROGRESS EXPECTED BY END OF 2027

>900

optimized stations across U.S. and Canada

>475

closed stations

>30%

closed stations

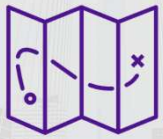
RAMPING **NETWORK 2.0 AND ONE FEDEX SAVINGS BY END OF 2027**

SAVINGS ON TRACK

~$1B Savings expected by the end of CY26

$2B Savings expected by the end of 2027

PRIMARY STRUCTURAL COST LEVERS



PICK UP AND DELIVERY



REDUCED FOOTPRINT



ONE FEDEX SAVINGS

NEW ERA FOCUSED ON
THREE FINANCIAL PRINCIPLES

1 Expand operating margins and grow operating income

2 Lower capital intensity and improve ROIC

3 Significantly and sustainably increase free cash flow



2029 Financial Targets

STRONG & DURABLE
2029 FINANCIAL TARGETS



~$8B

Operating income in 2029
~14% adj. operating income CAGR[1,3]

~8%

Operating margin in 2029
~200 bps of adj. margin expansion[3]

$25

GAAP earnings per share[2] in 2029[3]

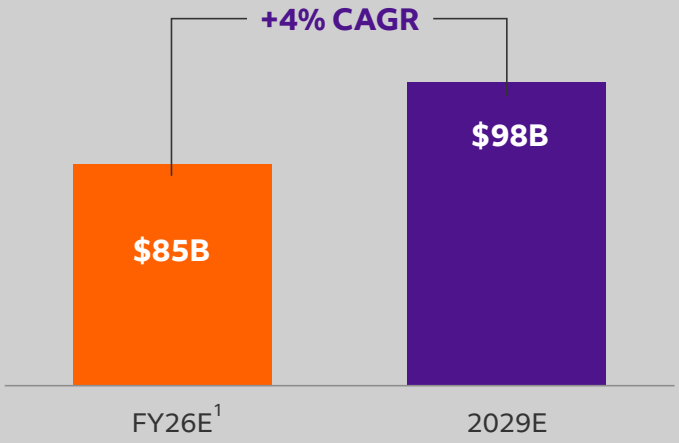
~$6B

Adj. free cash flow in 2029[3]

1. Based on FY26E-2029E CAGR. Represents midpoint of FedEx FY26 guidance range, issued in December 2025; excludes FedEx Freight
2. Excludes FedEx Freight; compared to FY26 adjusted EPS of $15 for FedEx Corp; Based on December 2025 guidance.
3. Based on Investor Day outlook provided on February 12, 2026

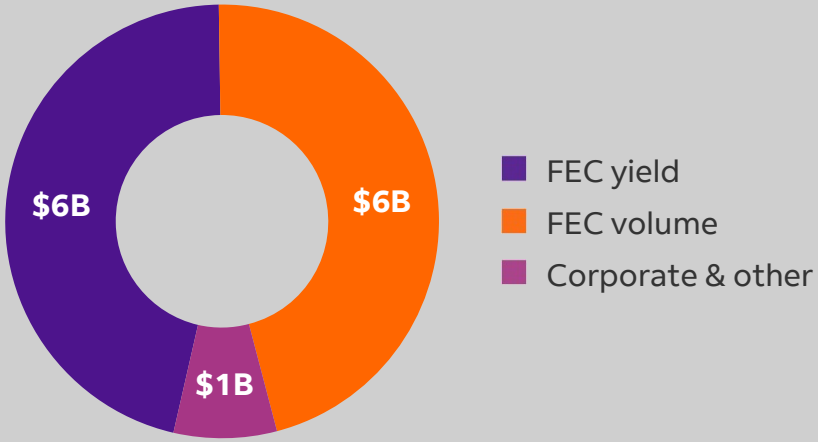
PRUDENT **REVENUE ASSUMPTIONS**

TOTAL REVENUES[2]



YIELD/VOLUME/OTHER[2]

Contribution to $13B revenue growth through 2029



1. Represents midpoint of FedEx FY26 guidance range, issued in December 2025; excludes FedEx Freight
2. Based on Investor Day outlook provided on February 12, 2026

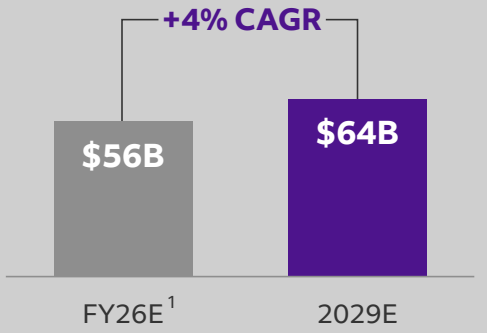
U.S. DOMESTIC SEGMENT

Executing Network 2.0 and One FedEx initiatives…
~$2 billion in cumulative cost savings

Rigorously focus our top-line growth on **expanding yields and continuing to win share in the B2B market**, which comes with very strong incremental margins

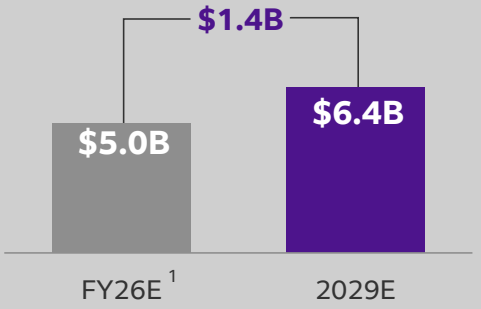
Optimizing revenue quality through **longer-haul and heavier-weight B2C shipments**

U.S. DOMESTIC REVENUE[2]



OPERATING INCOME[2]

+110bps of adj. operating margin expansion



1. Represents midpoint of FedEx FY26 guidance range, issued in December 2025; excludes FedEx Freight

2. Based on Investor Day outlook provided on February 12, 2026

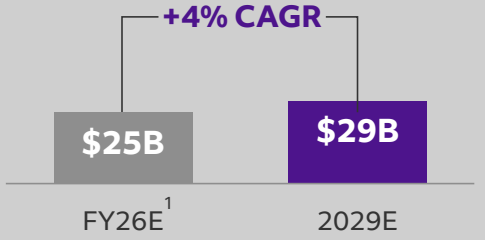
INTERNATIONAL SEGMENT

Leveraging our improved service, top-line performance and lower cost structure in Europe to **support improved incremental margins**

Continued growth in the **premium cross-border and intercontinental segments** of the European market

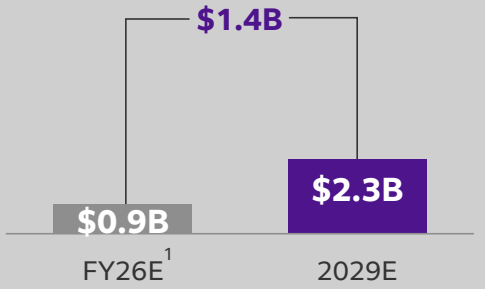
We will also be **growing our international air freight business through Tricolor**, which is already translating into very strong incremental profit flow through

INTERNATIONAL REVENUE[2]



OPERATING INCOME[2]

+440bps of adj. operating margin expansion



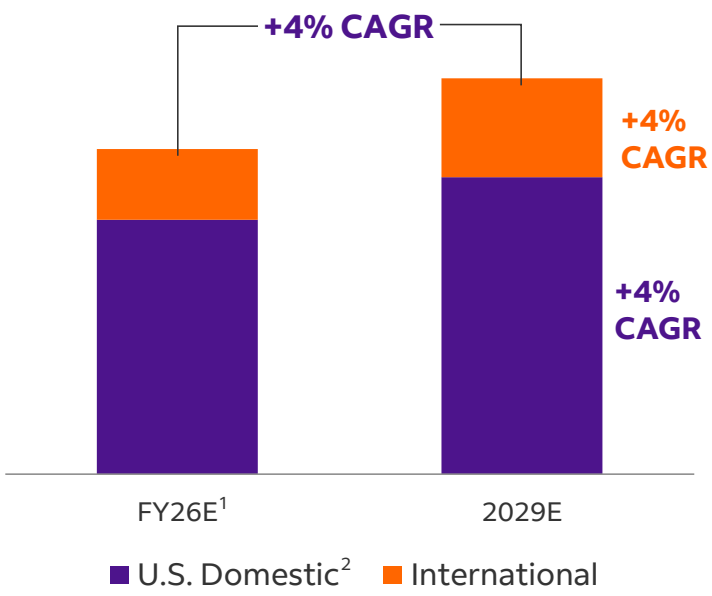
1. Represents midpoint of FedEx FY26 guidance range, issued in December 2025; excludes FedEx Freight

2. Based on Investor Day outlook provided on February 12, 2026

HIGH-QUALITY, **DURABLE REVENUE GROWTH**

Focus on B2B, SMBs, and high-value B2C revenue opportunities

TOTAL CORE REVENUE[3]



SUSTAINABLE, PROFITABLE GROWTH

$6B of incremental yield-related revenue through 2029[3]

$6B of incremental volume-related revenue through 2029[3]

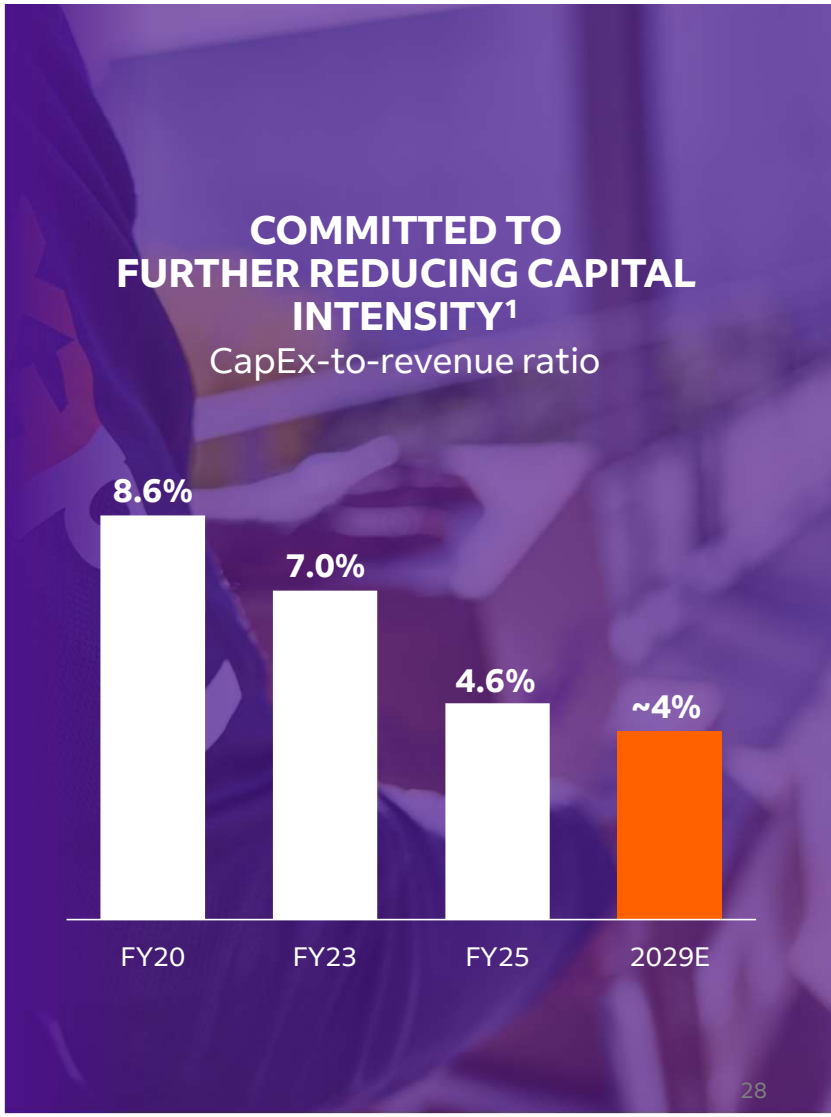
Additional $1B of revenue from Office, Logistics, and Dataworks[3]

Positioned to generate premium revenue and drive sustained, strong bottom-line flow-through[3]

1. Represents midpoint of FedEx FY26 guidance range, issued in December 2025; excludes FedEx Freight
2. Anticipate addressable U.S. domestic e-commerce volume to grow at a ~5% CAGR from CY25-29. U.S. Domestic B2B addressable market estimated to grow at ~1.4% CAGR over CY25-29. Total U.S. domestic parcel market is estimated to be ~105M ADV in CY29
3. Based on Investor Day outlook provided on February 12, 2026

LOWER **CAPITAL INTENSITY**

- FY26 aircraft CapEx below $1B
- Expect aircraft CapEx to remain at or below $1B through 2029, supporting FCF expansion
- 2029 outlook assumes 90% of capital investments will be to maintain network, modernize equipment or facilities, or other efficiency-related needs

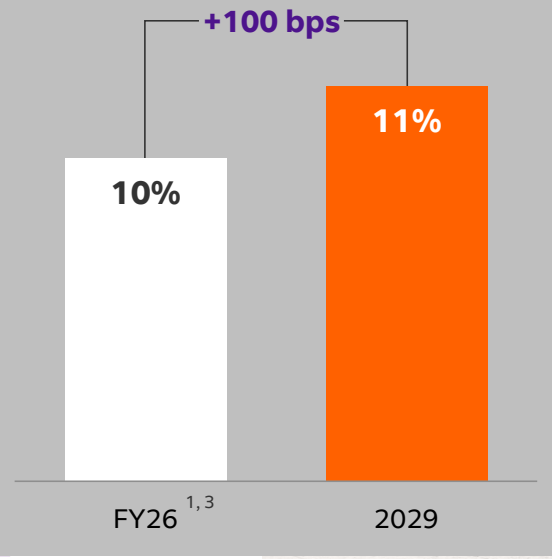


1. Excludes FedEx Freight

HIGHER **ROIC**

- Ensuring that our business generates significant stockholder returns is a top priority
- Focused on leveraging the scale and scope of to drive unprecedented stockholder value in years to come
- Expect to drive 100 bps of ROIC expansion, driven primarily by adjusted operating income improvement

PRIORITIZING IMPROVED ROIC*[2]



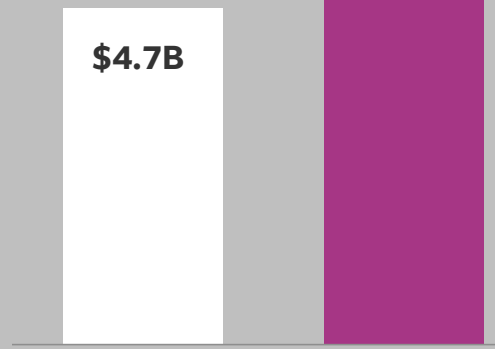
*Non-GAAP financial measure; see appendix for more information.

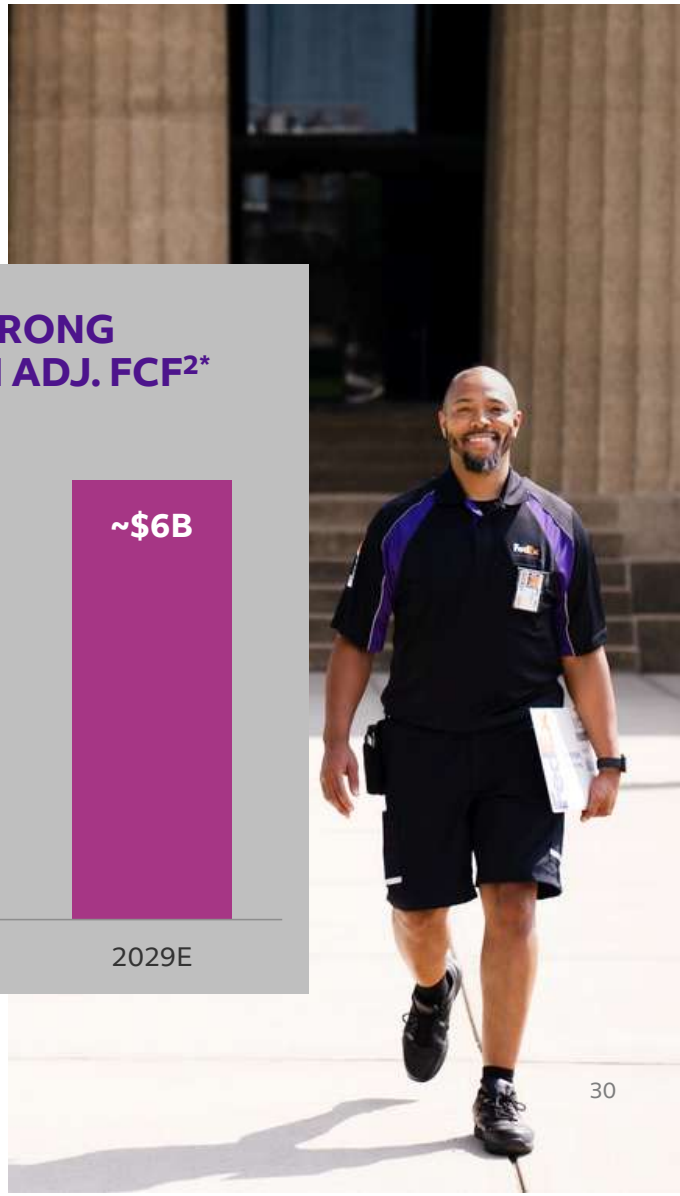
1. Includes FedEx Freight 2. Based on Investor Day outlook provided on February 12, 2026 3. FY26 ROIC actual shared on June 23, 2026

ADJUSTED FREE CASH FLOW* IMPROVEMENT

- Expect to generate a cumulative $16B of adj. free cash* from FY26 through 2029[2]
- Expect >100% adj. FCF* conversion in 2029 vs. ~90% in FY25[2]
- Strong adj. FCF growth reflects shift from era of network expansion to new era focused on returns on >50 years of investments

DRIVING STRONG GROWTH IN ADJ. FCF[2]*





1. Represents FedEx FY26 actuals shared on June 23, 2026, and includes FedEx Freight
2. Based on Investor Day outlook provided on February 12, 2026

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

Carbon neutral operations goal by 2040



Aircraft

Fuel conservation, fleet modernization, and cost-effective sustainable aviation fuel (SAF)

2030	Obtain 30% of jet fuel from alternative sources (blended SAF)
2032	Complete 3rd phase of plan to retire all 3-engine aircraft
2034	40% reduction in aircraft emissions intensity (2005 baseline)



Vehicles

Route optimization, EV pickup and delivery vehicles (PUDs), testing alternative fuels

2025	50% of all new purchase orders for owned PUDs are EVs
2030	100% of all new purchase orders for owned PUDs are EVs
2040	All FedEx PUDs are EVs, including contracted transportation



Facilities

Renewable energy, energy management, building efficiency and resiliency

2028	Source 500 GWh of renewable energy
2033	Source 1,300 GWh of renewable energy
2040	Source 100% renewable energy in FedEx facilities



Natural carbon capture

Accelerate research and scalable solutions to permanently capture and store carbon by helping establish the Yale Center for Natural Carbon Capture



Customer solutions

Support for customer sustainability goals, like the FedEx® Sustainability Insights carbon emissions reporting tool and sustainable packaging offerings

Corporate social responsibility

Awards & recognition

World's Most Admired Companies 2026
FORTUNE
- Our 26th consecutive year we've been ranked among the top 20 in the FORTUNE Most Admired Companies List

World's Most Ethical Companies 2026
Ethisphere

One of "America's Best Companies" 2026
Forbes

Quest for Quality Awards 2026: #1 Surface Package Carriers and #2 Airfreight Express Carriers
Logistics Management Magazine

Top 100 Global Brands 2026
Brand Finance

One of "Fortune AIQ 75" companies 2026
that are Pioneering AI
FORTUNE

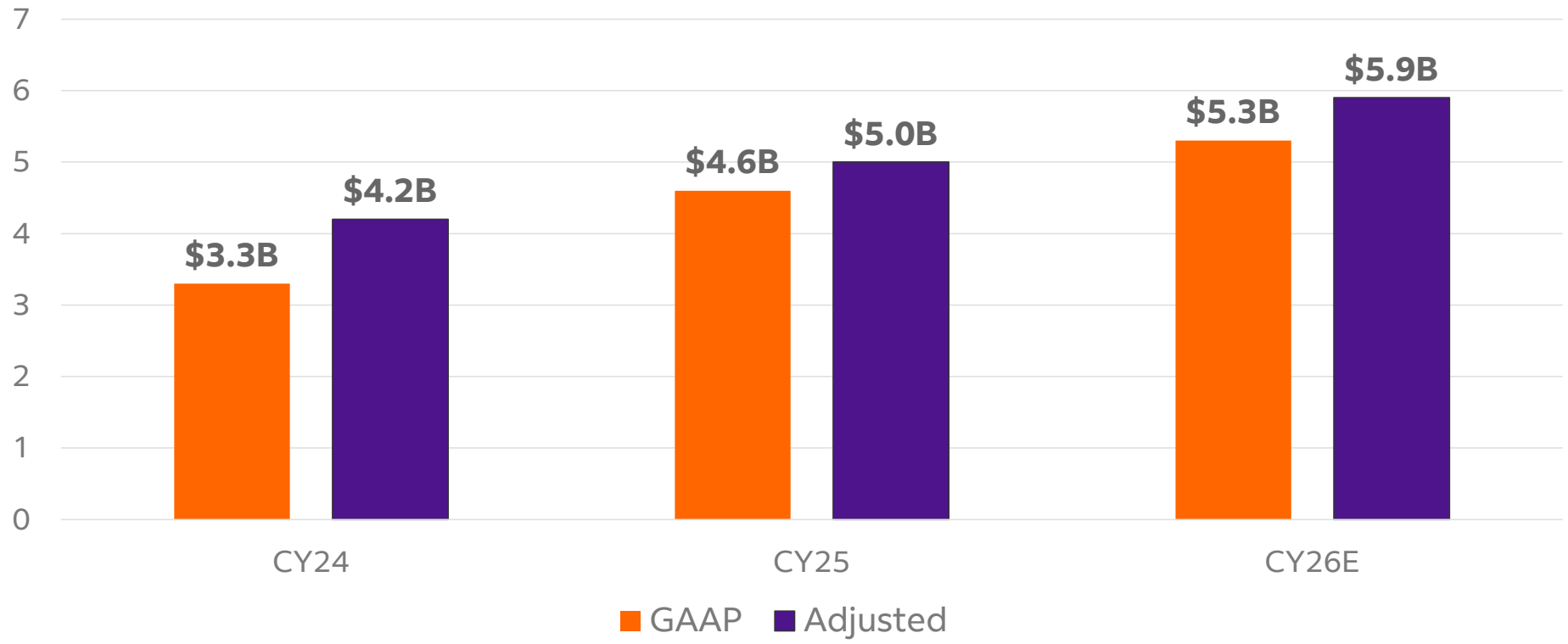
Most Trusted Brands 2026
Morning Consult

Best Companies to Work For 2026
Women's Choice Awards

Best Reputation Among "The 100 Most Visible Companies in America" 2026
Axios Harris Poll 100

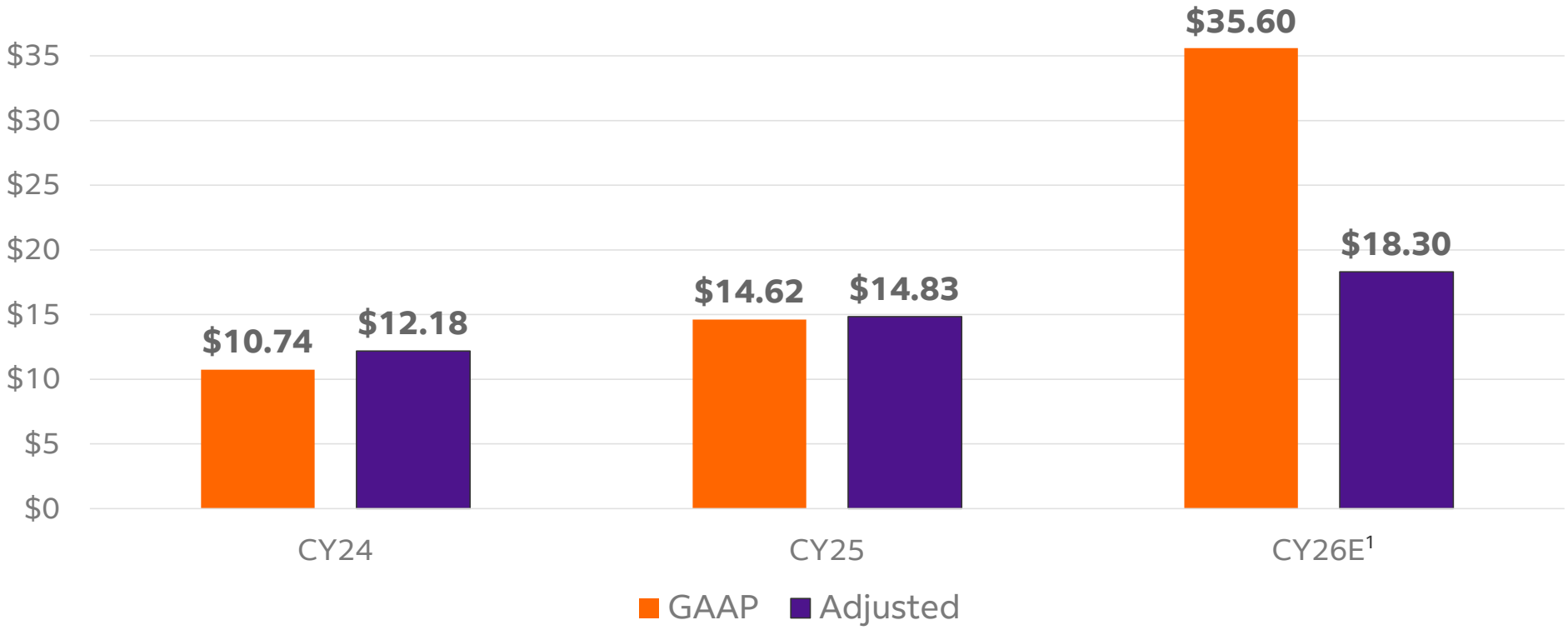


Consolidated operating income*



*Non-GAAP financial measure. See Appendix for more details; Excludes FedEx Freight

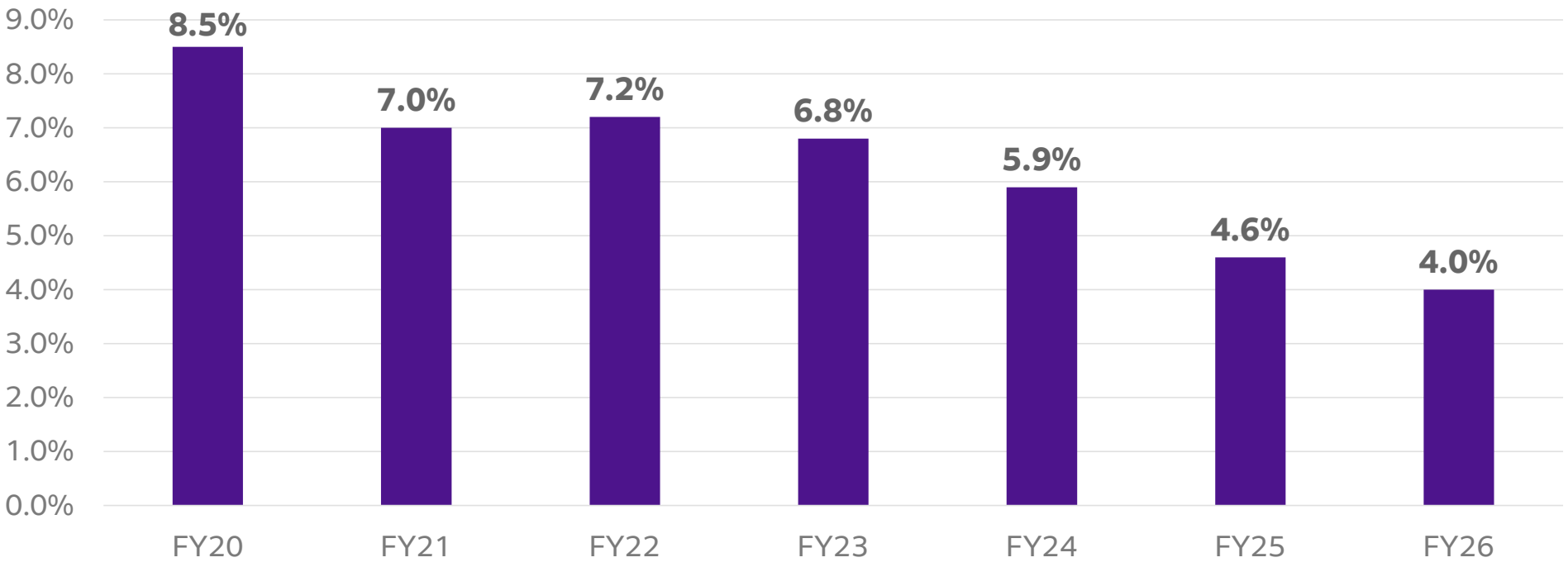
Earnings per share



Non-GAAP financial measure. See Appendix for more details.. 1 – This represents the midpoint of the range of $18.00-$18.60

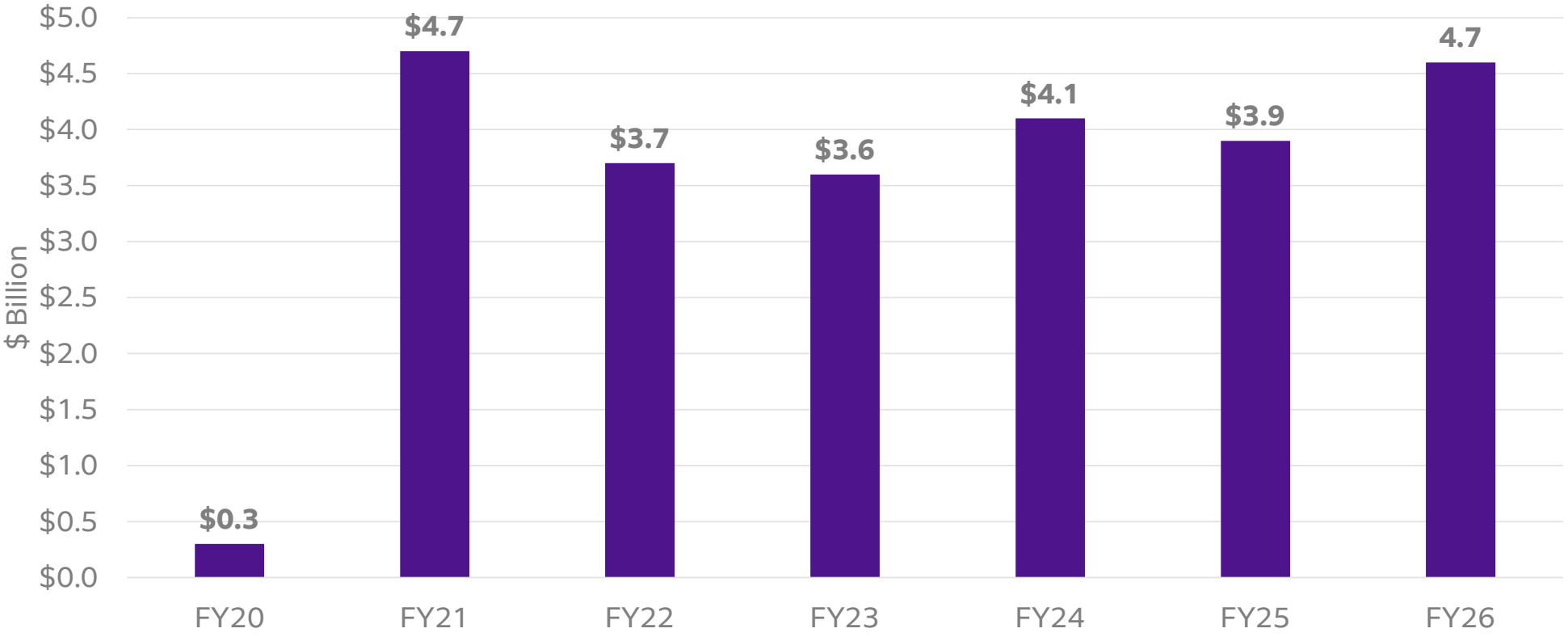
CapEx intensity continues to improve

(CapEx as a % of Revenues)*



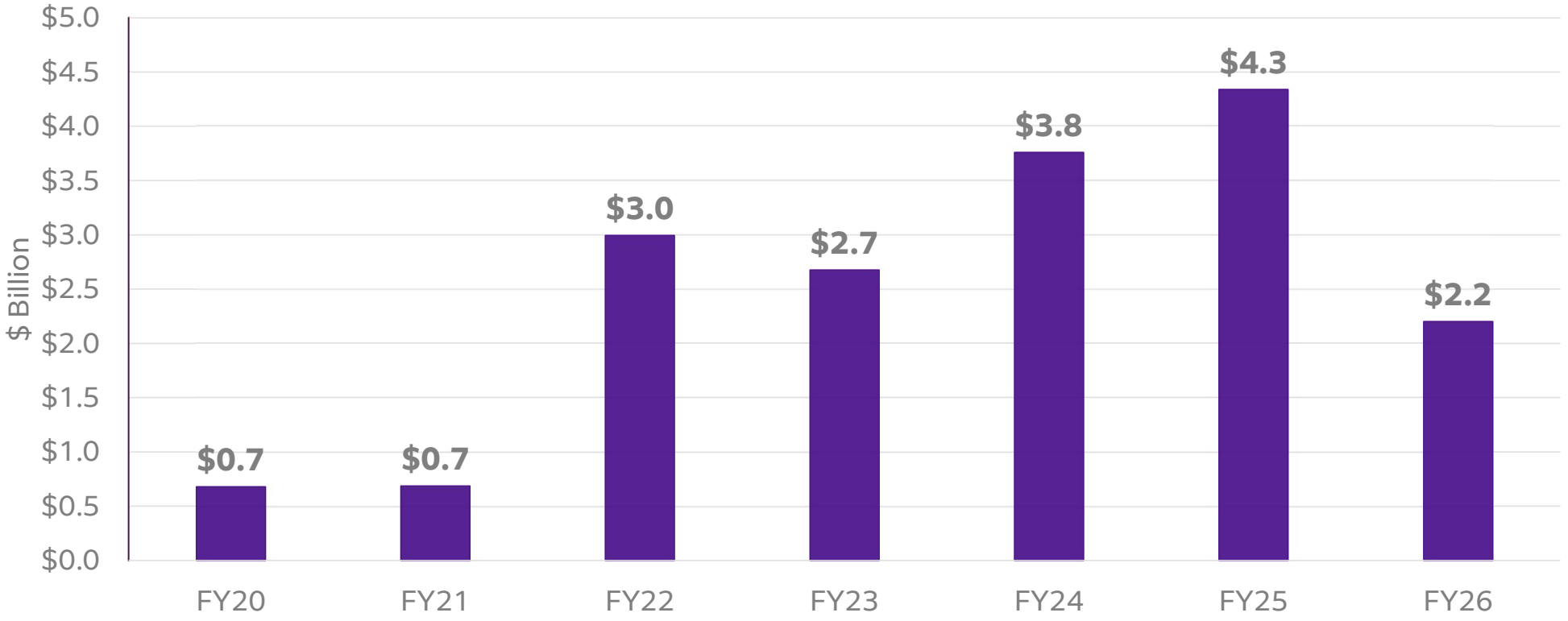
*Includes FedEx Freight

Adjusted Free Cash Flow*



Non-GAAP financial measure. See Appendix for more details. *Includes FedEx Freight

Capital Returns*



Capital Returns calculated based on dividend payments and stock repurchases

*Includes FedEx Freight

Appendix

Non-GAAP financial measures

Calendar 2026 Forecast and Calendar 2025 Earnings Per Share (EPS) and Effective Tax Rate (ETR)

Our calendar 2026 adjusted earnings per share ("EPS") forecast is a non-GAAP financial measure because it excludes calendar 2026 MTM adjustments for retirement plan accounting, MTM accounting for the FedEx Freight investment, gain on extinguishment of debt, and estimated restructuring, exit and other costs. Our calendar 2026 ETR forecast is a non-GAAP financial measure because it excludes the effect of calendar 2026 MTM adjustments for retirement plan accounting, MTM accounting for the FedEx Freight investment, and a $263 million deferred income tax benefit on a FedEx Supply Chain basis difference. We are unable to predict the amount of additional calendar 2026 MTM adjustments for retirement plan accounting and adjustments related to MTM accounting for the FedEx Freight investment, as they are significantly affected by changes in interest rates and the financial markets, so such additional adjustments are not included in our calendar 2026 EPS and ETR forecasts. For this reason, a full reconciliation of our calendar 2026 EPS and ETR forecasts to the most directly comparable GAAP measures is impracticable. It is reasonably possible, however, that our additional calendar 2026 MTM adjustments for retirement plan accounting and MTM accounting for the FedEx Freight investment could have a material effect on our calendar 2026 consolidated financial results and ETR. The table included below titled "CY26 Diluted Earnings Per Share Forecast" outlines the effects of the items that are excluded from our calendar 2026 EPS forecast, other than the additional MTM adjustments for retirement plan accounting and adjustments related to MTM accounting for the FedEx Freight investment.

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.

Free cash flow and adjusted free cash flow

Free cash flow and adjusted free cash flow are not defined under 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 our non-GAAP free cash flow and adjusted free cash flow measures represent amounts available for discretionary expenditures. We do not provide a reconciliation of 2029 free cash flow and adjusted free cash flow to the most directly comparable GAAP forecasts because we are unable to provide a meaningful or accurate calculation or estimation of reconciling items without unreasonable effort. These items are inherently uncertain and depend on various factors, many of which are beyond our control, and as such, any associated estimate and its impact on our GAAP financial measures could vary materially.

Return on invested capital

Our fiscal 2026 return on invested capital ("ROIC") forecast is calculated, in part, using non-GAAP financial measures. Adjusted operating income is included in the numerator, as we believe it is most indicative of our core operating performance. We believe ROIC is a meaningful measure of how effectively we are deploying our key assets and using capital to generate profits. Numerous methods exist for calculating ROIC. Accordingly, the method used by FedEx may differ from the methods used by other companies. We encourage readers to understand the methods used by another company to calculate ROIC before comparing its ROIC to ours.

GAAP to non-GAAP reconciliations

CY26 Diluted Earnings Per Share Forecast

Dollars in millions, except EPS	CY26 Outlook	
	Adjustments	**Diluted Earnings per Share**
Diluted earnings per share from continued operations (GAAP measure)		$35.30 to $35.90
Restructuring, exit, and other cost	579	
Gain on short term investments	(3,254)	
MTM adjustment for retirement plan accounting	(788)	
Gain on extinguishment of debt	(627)	
Total adjustments	$ (4,090)	
Income tax effect[1]	(50)	
Net of tax effect	$ (4,140)	(17.30)
Diluted earnings per share with adjustments (non-GAAP)[3]		$18.00 to $18.60

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

GAAP to non-GAAP reconciliations

CY25 Diluted Earnings Per Share

Dollars in millions, except EPS	CY25 Actuals	
	Adjustments	**Diluted Earnings per Share**
GAAP measure		$14.62
Business optimization costs[3]	1.11	
Fiscal year change costs[3]	0.05	
Aircraft Impairment charges[3]	0.07	
International regulatory matter & legacy FedEx Ground legal matter	0.31	
MTM retirement plans accounting adjustment[2]	(1.33)	
Total Adjustment	0.21	
Diluted earnings per share with adjustments (non-GAAP)		$14.83

Dollars in millions, except EPS	CY25 Actuals	
Operating income (GAAP measure)	**$**	**4,554**
Business optimization costs[3]		345
Aircraft impairment charges[3]		21
International regulatory and legacy FedEx Ground legal matter		76
Fiscal year change cost[3]		14
Total adjustments		456
Operating income (Non-GAAP measure)	$	5,010

2,3 See "Footnotes for Non-GAAP Reconciliation Slides" below for details

FY26 OUTLOOK NON-GAAP RECONCILIATION

FY26 outlook midpoint[1]

	FY26 outlook - consolidated		
Dollars in millions	**Revenue**	**Operating income**	**Operating margin**
GAAP measure (including FedEx Freight)	**$93,500**	**$5,272**	**5.6%**
Removal of FedEx Freight segment, net of related eliminations	(8,500)	(740)	
Consolidated, excluding FedEx Freight	**$85,000**	**$4,532**	**5.3%**
Business optimization costs	-	310	0.4%
FedEx Freight spin-off costs	-	140	0.2%
Fiscal year change costs	-	30	0.0%
International regulatory matter	-	(12)	(0.0%)
Non-GAAP measure	$85,000	$5,000	6.0%

	FY26 outlook - FEC U.S. domestic		
Dollars in millions	**Revenue**	**Operating income**	**Operating margin**
GAAP measure	**$56,000**	**$4,750**	**8.5%**
Business optimization costs	-	190	0.3%
FedEx Freight spin-off costs	-	30	0.1%
Fiscal year change costs	-	30	0.1%
Non-GAAP measure	$56,000	$5,000	8.9%

	FY26 outlook - FEC international		
Dollars in millions	**Revenue**	**Operating income**	**Operating margin**
GAAP measure	**$25,000**	**$882**	**3.5%**
Business optimization costs	-	30	0.1%
FedEx Freight spin-off costs	-	0	0.0%
Fiscal year change costs	-	0	0.0%
International regulatory matter	-	(12)	(0.0%)
Non-GAAP measure	$25,000	$900	3.6%

1. Represents midpoint of FedEx FY26 guidance range, issued in December 2025; excludes FedEx Freight

RETURN ON INVESTED CAPITAL FORECAST RECONCILIATION

Dollars in millions

Numerator	**Fiscal 2026**
Operating income (GAAP)	**$5,463**
Business optimization costs[4]	366
International regulatory and legacy FedEx Ground legal matters[5]	(12)
FedEx Freight Spin-Off costs[6]	738
Asset impairment charges[5]	23
Fiscal year change costs[8]	33
Adjusted operating income (non-GAAP)	$6,611
Provision for income taxes (non-GAAP)[7]	(1,534)
Adjusted operating income after taxes (non-GAAP)	$5,077

Denominator	**Fiscal 2026**
Average invested capital[9]	$50,857
Return on invested capital	**10.0%**

FY26 ADJUSTED EARNINGS PER SHARE FORECAST RECONCILIATION

Dollars in millions, except EPS	FY26 Outlook Midpoint	
	Adjustments	**Diluted Earnings per Share**
Diluted earnings per share before MTM retirement plans accounting adjustments (non-GAAP) (including FedEx Freight)		$15.40
Removal of FedEx Freight		(1.90)
Diluted earnings per share before MTM retirement plans accounting adjustments (non-GAAP), excluding FedEx Freight		$13.50
FedEx Freight spin-off costs, excluding FedEx Freight	$140	
Business optimization costs	310	
Fiscal year change costs	30	
International regulatory matter	(12)	
Total adjustments	468	
Income tax effect	108	
Net of tax effect	$360	1.50
Diluted earnings per share with adjustments (non-GAAP)		$15.00

GAAP to non-GAAP reconciliations

FedEx Corporation
CY26 Adjusted Free Cash flow reconciliation

	Full Year CY26 Cash Movements
Cash provided by operating activities (GAAP)	**$ 9,365**
- Capital expenditures	(3,945)
+ Proceeds from asset dispositions	60
Free cash flow (non-GAAP)	$5,480
+ Voluntary contributions to tax qualified U.S Domestic pension plans	475
+ IEEPA tariff refunds due to customers	(2,000)
Adjusted free cash flow (non-GAAP)	$ 3,955

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

GAAP to non-GAAP reconciliations

FY20 - FY26 Free Cash Flow and Adjusted Free Cash Flow

Dollars in millions	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Cash Provided by Operating Activities (GAAP)	$ 5,097	$ 10,135	$ 9,832	$ 8,848	$ 8,312	$ 7,036	$ 8,925
Capital expenditures	(5,868)	(5,884)	(6,763)	(6,174)	(5,176)	(4,055)	(3,809)
Proceeds from disposition of property and equipment	22	102	94	84	114	115	97
Free Cash Flow (non-GAAP)	(749)	4,353	3,163	2,758	3,250	3,096	5,213
Voluntary Pension Contributions	1,000	300	500	800	800	800	275
IEEPA tariff refunds due to customers	-	-	-	-	-	-	(805)
Adjusted Free Cash Flow (non-GAAP)	$ 251	$ 4,653	$ 3,663	$ 3,558	$ 4,050	$ 3,896	$ 4,683

Footnotes for non-GAAP reconciliation slides

1 - Income taxes are based on the company's approximate statutory tax rates applicable to each transaction. FedEx Corporation three months ended September 30, 2026, Income Taxes for "Restructuring, exit and other costs" includes a $263 million deferred income tax benefit on a FedEx Supply Chain basis difference. This benefit is also included in the "Income tax effect" line item above.

2 - These expenses were recognized at Corporate, other, and eliminations.

3 - These expenses were recognized at Express U.S. Segment, and Corporate, other, and eliminations.

4 - These costs were recognized at FedEx Corporation and Federal Express.

5 - These costs were recognized at Federal Express.

6 - These amounts were recognized at FedEx Corporation.

7 - Calculated as adjusted operating income multiplied by the adjusted effective tax rate of 23.2% for 2026. Our effective tax rate of 23.5% for 2026 is calculated by dividing our provision for income taxes by income before income taxes, and have been adjusted as follows:

Effective tax rate (GAAP)	**23.5%**
MTM retirement plans accounting adjustment	—
Business optimization costs	(0.1)%
International regulatory and legacy FedEx Ground legal matters	0.1%
FedEx Freight Spin-Off costs	(0.3)
Fiscal year change costs	—
Asset impairment charges	—
Adjusted effective tax rate (non-GAAP)	23.2%

8 - These expenses were recognized at Federal Express and Corporate, other, and eliminations.

9 - Calculated as the average of the current and prior year-end balances of long-term debt, including the current portion, and total common stockholders' investment included in FedEx's condensed consolidated balance sheets.