



Calendar third quarter 2026 earnings
October 28, 2026





Jeni Hollander

VP of Investor Relations

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 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. CY2026 guidance in the presentation and discussed during the conference call was effective on October 28, 2026. Nothing discussed during this presentation should be construed as reaffirming or disaffirming such guidance.



Raj Subramaniam

President & CEO

Key messages

- Grew revenue across key B2B verticals and premium B2C, supporting double-digit growth in consolidated adjusted operating profit*
- Transforming our network globally through Network 2.0, European network optimization, and global air freight strategy
- Announced partnerships to provide value-added services, building our data and technology advantage
- Becoming a more focused company through the successful spin-off of FedEx Freight, sale of FedEx Supply Chain, and impending InPost transaction
- Repurchased \$2 billion of FedEx stock in June – September period

Q3 results overview

Delivered strong earnings growth year-over-year

Commentary:

- Revenue growth supported by strong base yields across both U.S. Domestic and International
- Grew adjusted operating income despite headwinds from purchased transportation rates, new pilot agreement, and variable compensation
- Grew U.S. Domestic revenue by 10% and adjusted operating income by 7%
- Grew International revenue by 17% and adjusted operating income by 52%
- Raising and tightening our CY26 EPS outlook to \$18.00 to \$18.60; midpoint of range implies 23% adjusted EPS growth year-over-year for full year
- Expect to generate ~\$4 billion in adjusted free cash flow* in CY26

Consolidated Results	Q3 CY26
Revenue	\$22.9B ↑12% YoY
Adj. operating income*	\$1.20B ↑16% YoY
Adj. operating margin*	5.3% ↑20 bps YoY
Adj. EPS*	\$3.74 ↑28% YoY

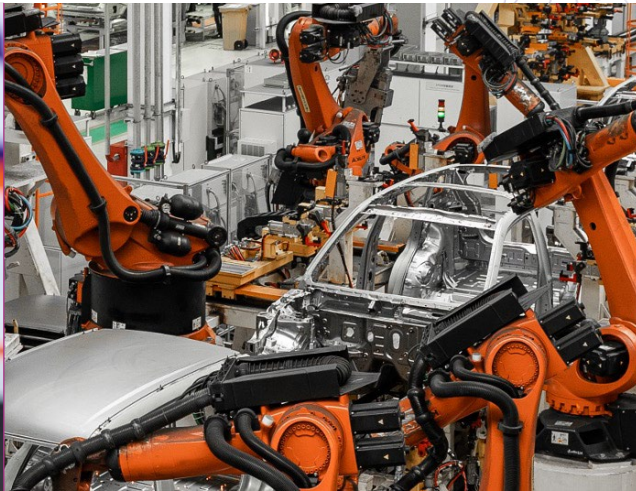
*Non-GAAP financial measure; see appendix for more information.

Growing in high-margin verticals

Majority of our quarterly revenue growth came from B2B services



HEALTHCARE



AUTOMOTIVE



DATA CENTERS



AEROSPACE

Transforming our industrial network



- Nearly 65% of eligible volume flowing through ~630 Network 2.0 optimized stations; 260+ stations closed to date
- Expect ~\$1 billion of Network 2.0 and related One FedEx savings by year-end; expect \$2 billion savings by end of 2027
- European network transformation underway, replacing fragmented domestic infrastructure with a leaner, digitally enabled network focused on high-value cross-border flows and long-term competitiveness

Building on our data and technology advantage

- Leveraging global end-to-end network and operational data to deliver visibility and supply chain management tools to customer
- Expanding our leadership in logistics orchestration, including a U.S. Army collaboration to modernize non-tactical logistics networks, supply chain procedures, and organic industrial base sites
- Advancing physical AI to improve safety and efficiency, deploying Dexterity robotic loaders at the Hagerstown, MD hub to support Peak and post-Peak operations

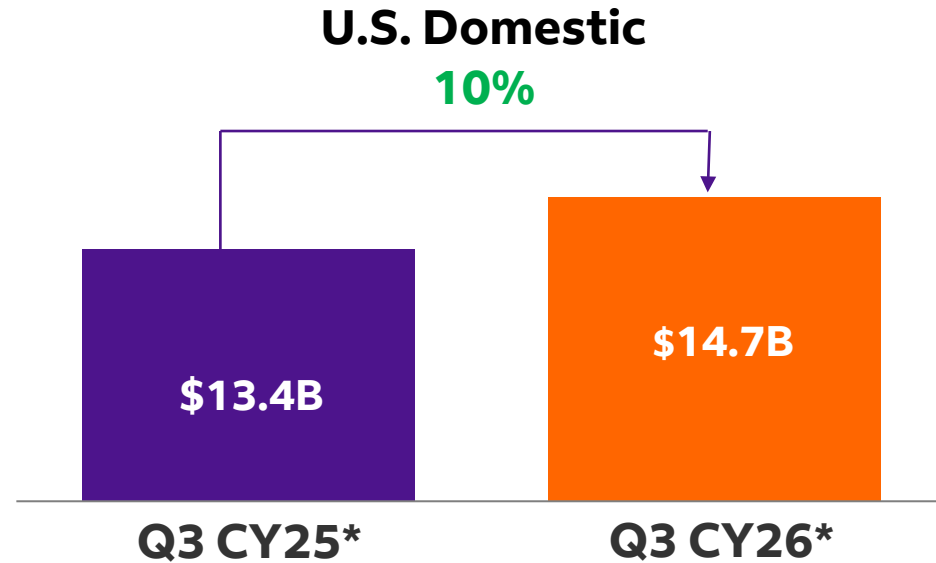




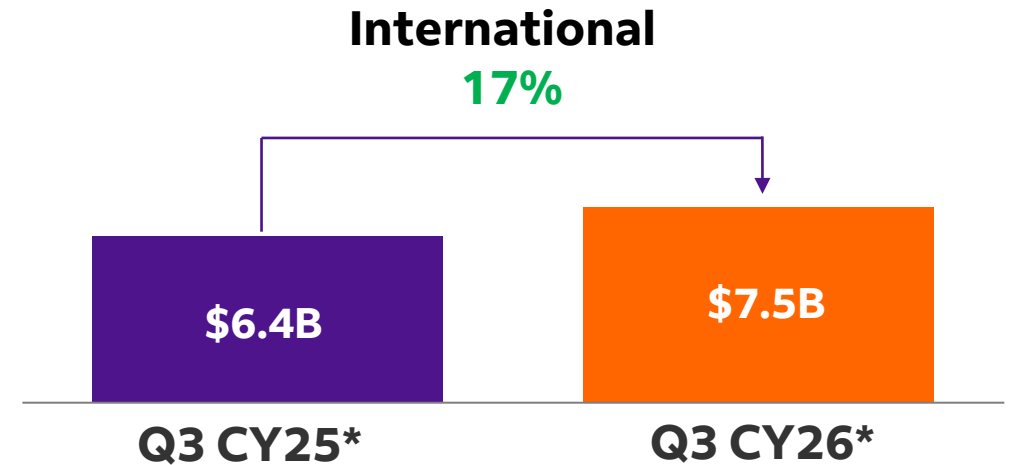
Brie Carere

EVP & Chief Customer Officer

FedEx revenue performance



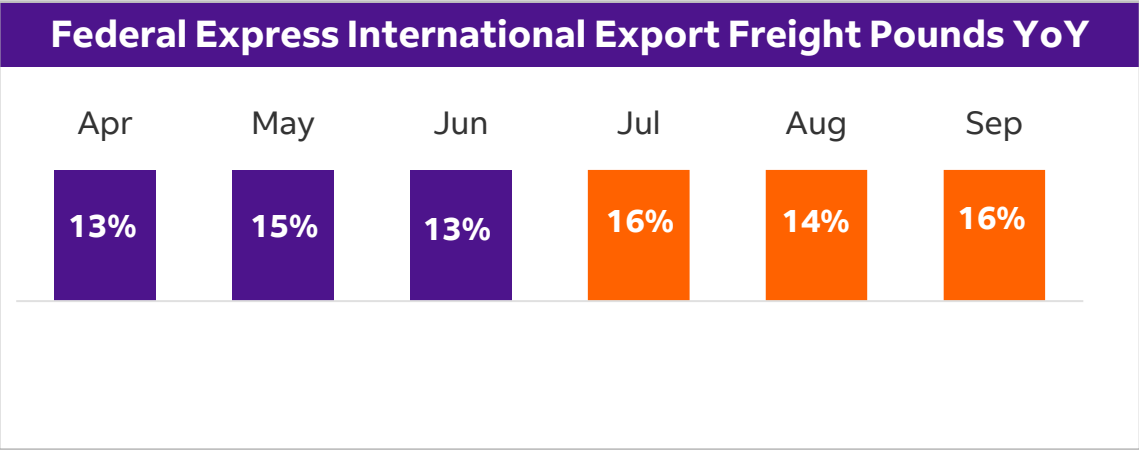
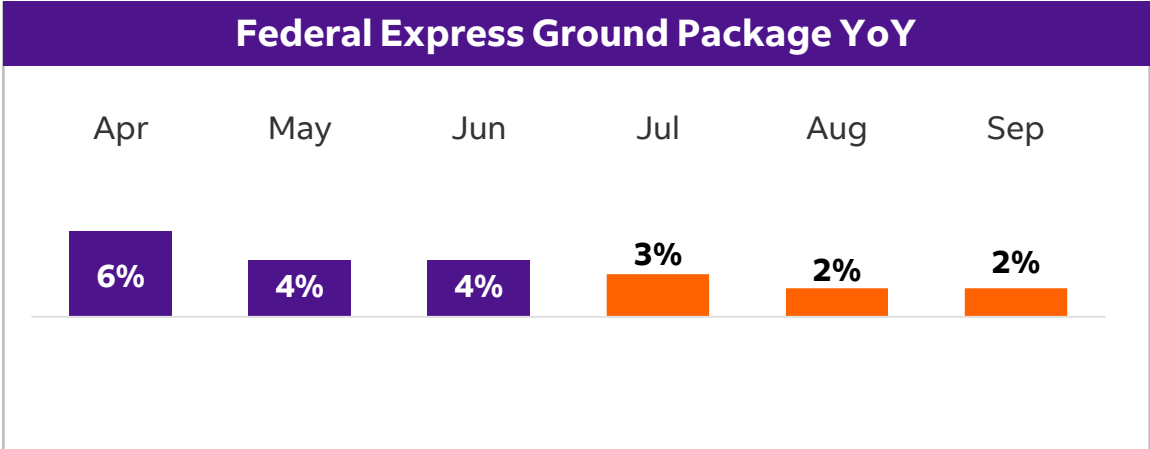
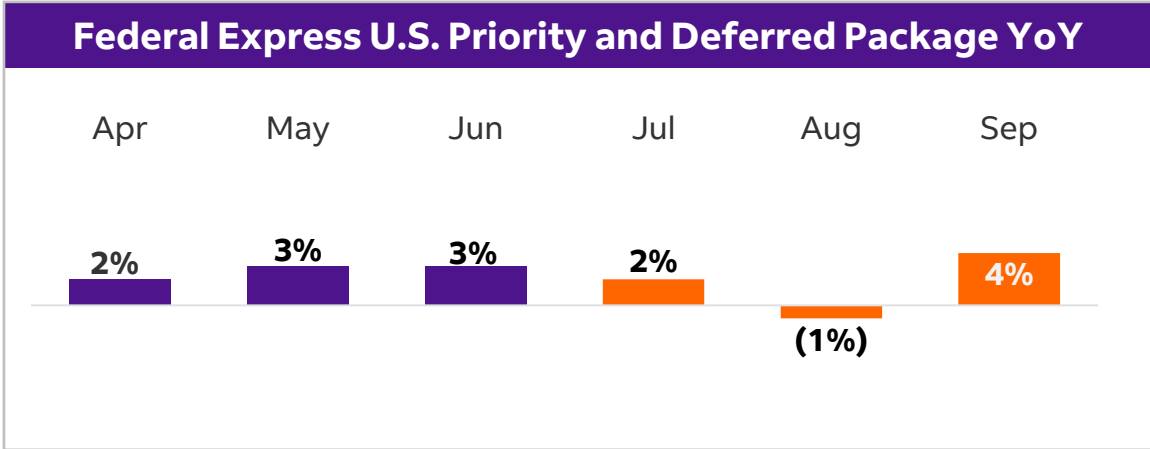
- Growth driven by base yield expansion, higher fuel surcharges, and volume growth



- Growth driven by higher fuel surcharges, base yield expansion, and export volume growth

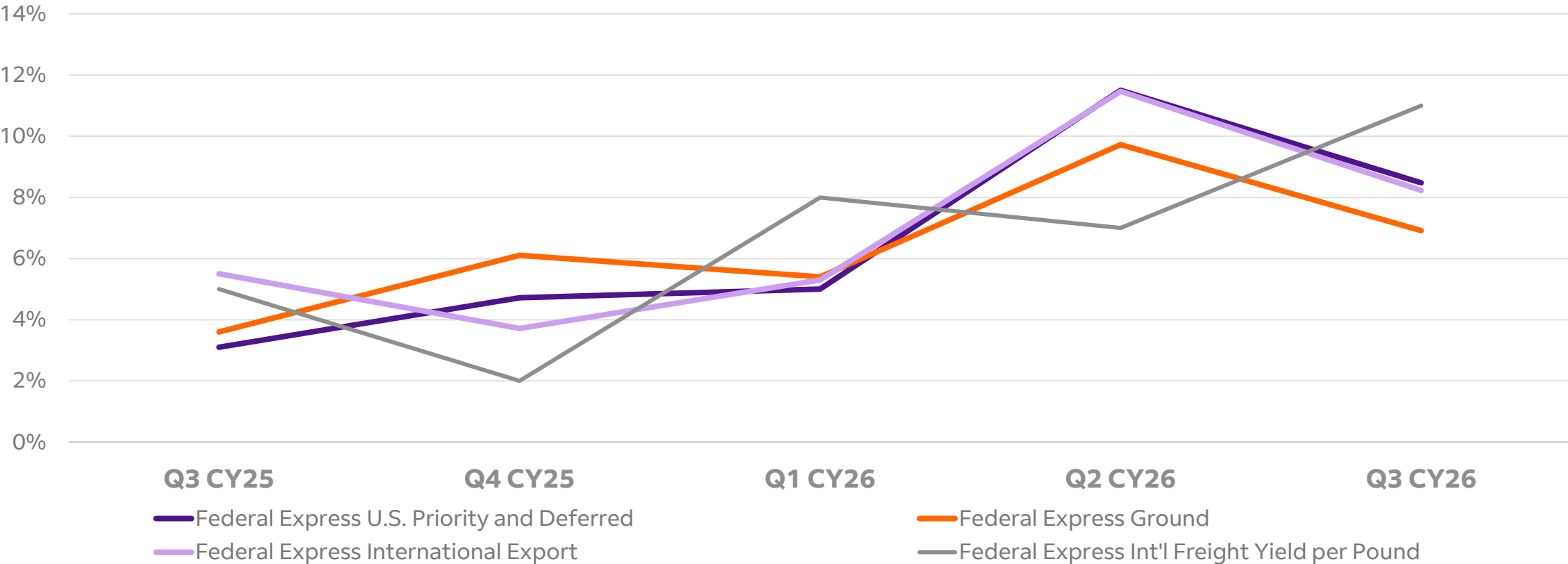
Volume trends by service

■ Q2 CY26 average daily volume ■ Q3 CY26 average daily volume



Yield trends by service

YoY yield by calendar quarter



Strategic commercial priorities

Automotive

- Assembled a dedicated automotive team and specialized model combining 24/7 support, flexible global pickup, enhanced visibility, and tailored integrated logistic solutions
- Onboarded 13 major automotive customers to value-added services, delivering long-term profitable revenue growth

Healthcare

- Achieved 30 IATA CEIV pharma certifications across our global air hubs and cargo handling facilities

Digital solutions

- Launched Global Trade Navigator, allowing customers to address challenges earlier and throughout the international shipping journey
- Introduced FedEx Authenticated Delivery, which uses QR code authentication to help ensure packages are released to authorized recipients



Revenue outlook

Planning for busy Peak and focused commercial execution to drive revenue quality



- Expect full-year revenue growth of ~12%, including approximately four percentage points of fuel-price driven surcharge revenue benefit
- Q4 revenue expectations:
 - Current volume and yield trends directionally similar to Q3
 - Sustained declines in Ground Economy and International Domestic volume
 - Implicit revenue growth of ~10% in Q4, with U.S. Domestic up high-single-digits, including three percentage points from fuel-price driven surcharge revenue
 - International revenue up high-teens, including seven percentage points coming from fuel-price driven surcharge revenue



Claude Russ

EVP & Interim Chief Financial Officer

Third quarter calendar 2026 financial results

Disciplined revenue strategies and continued cost management delivered improved profitability



\$22.9B

Consolidated
Revenue

↑12% YoY

\$1.20B

Adj. Operating
Income*

↑16% YoY

\$3.74

Adj. Earnings
Per Share*

↑28% YoY

\$2.9B

CapEx

YTD

\$2.0B

Shares
Repurchased

YTD

\$1.3B

Dividends Paid

Through 10/1

U.S. Domestic

\$14.7B

Revenue

↑10% YoY

\$972M

Adj. Operating
Income*

↑7% YoY

International

\$7.5B

Revenue

↑17% YoY

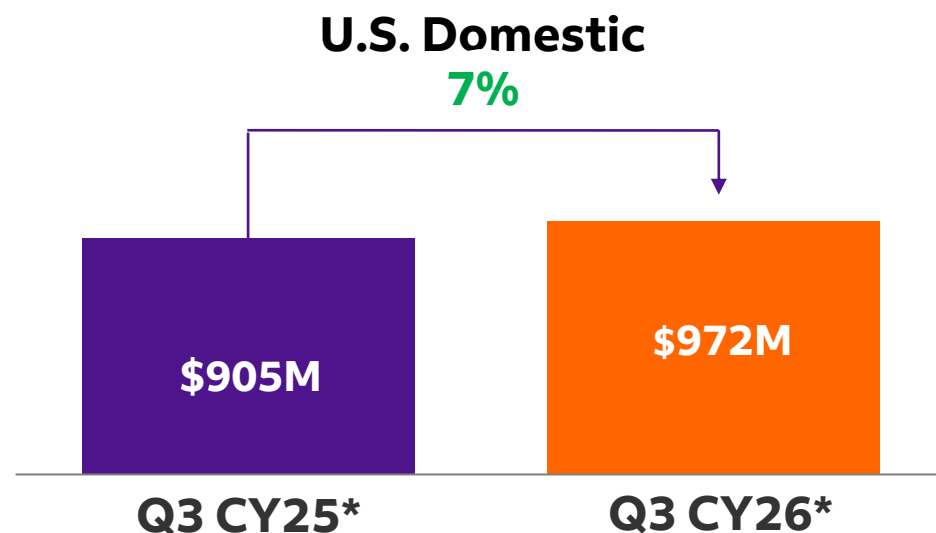
\$297M

Adj. Operating
Income*

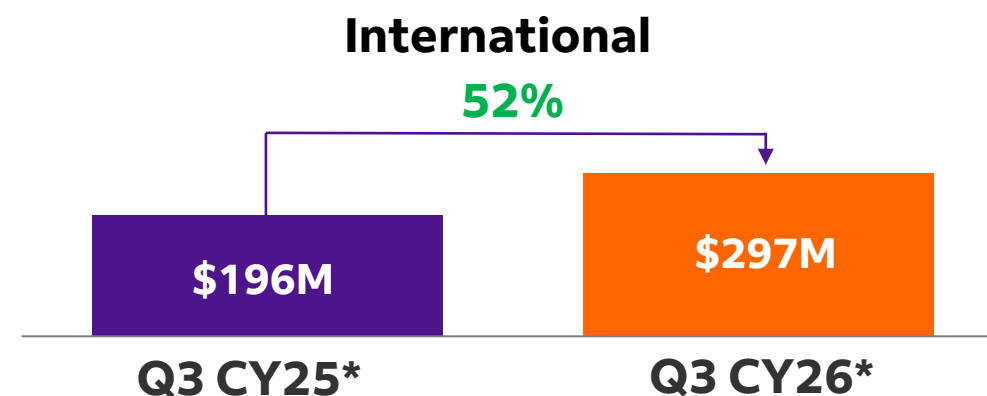
↑52% YoY

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

FedEx adjusted operating income* performance



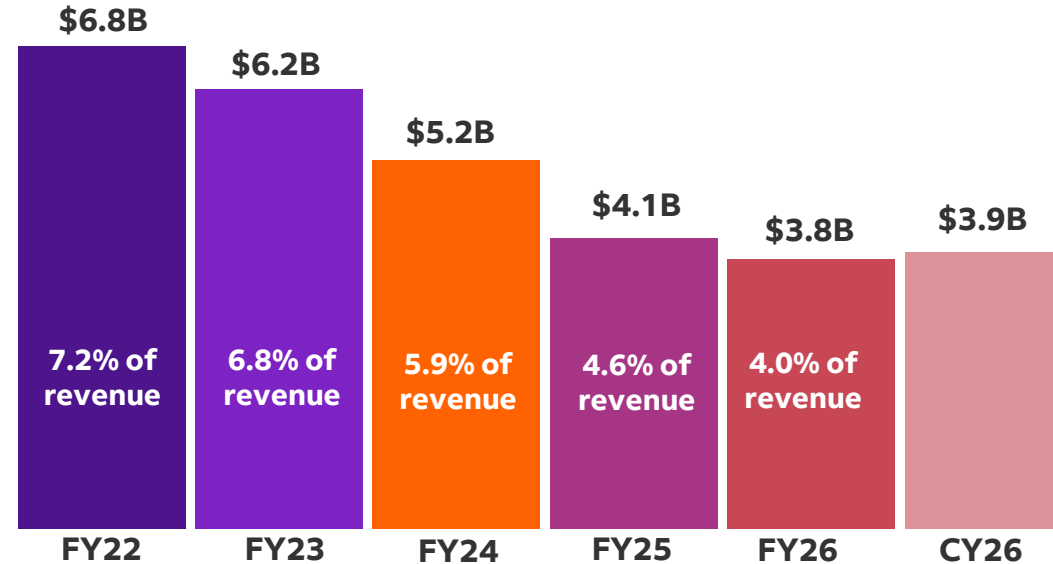
- Delivered higher Q3 adjusted operating income* year-over-year, driven by higher package yields and volumes, improved service mix, and transformation savings; partially offset by increased over-the-road linehaul purchased transportation rates and higher salaries and benefits
- Adjusted operating margin* declined 20 bps, driven by 30 bps headwind from higher fuel prices



- Adjusted operating income* and margin* improvement driven by continued strong base pricing, higher international export volume and airfreight weight, primarily out of Asia and the U.S.; partially offset by higher wage rates increased purchased transportation rates, and impacts from global trade policy changes

Capital allocation priorities

Taking a balanced approach, in support of stockholder value creation



- Repurchased \$2 billion of FedEx stock since June; 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

CY26 outlook

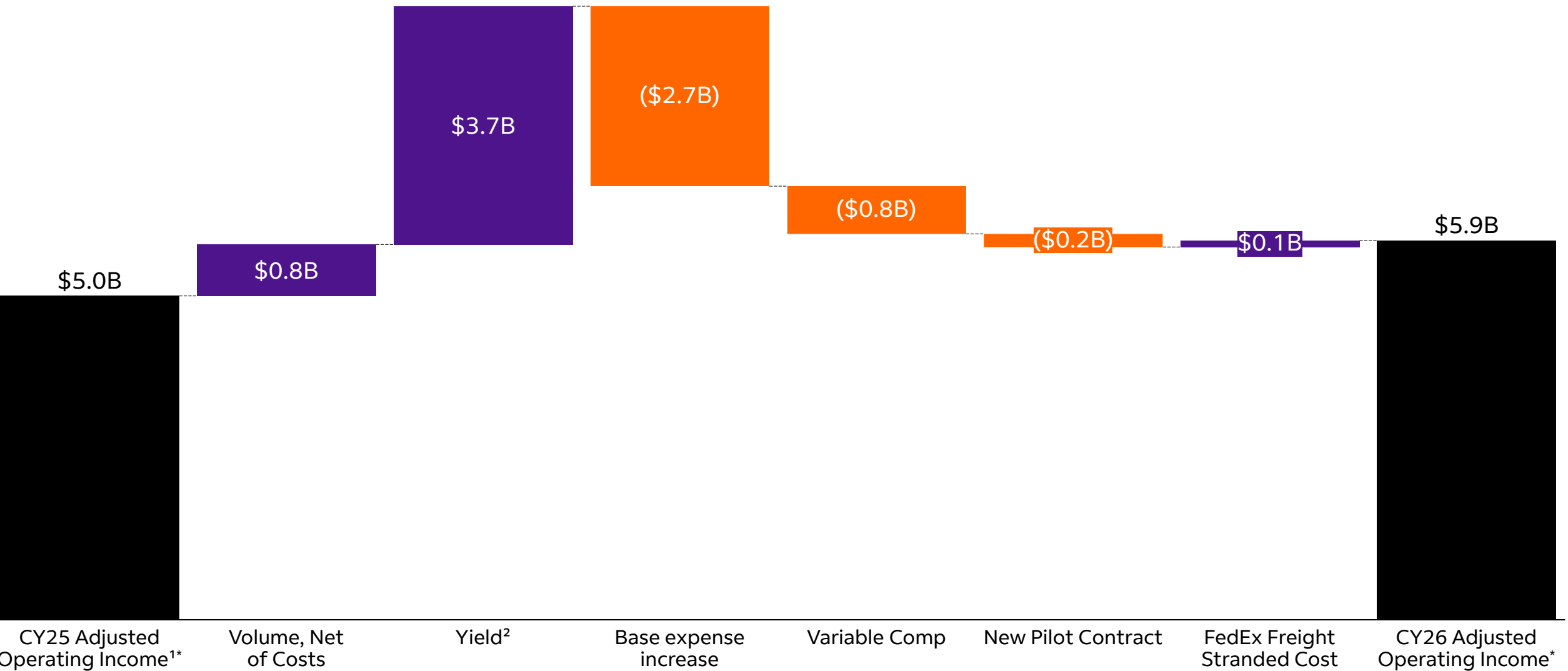
	Jun 2026	Oct 2026
Revenue growth rate YoY	~11%	~12%
Adjusted EPS*	\$16.90 – \$18.10	\$18.00 – \$18.60
Effective Tax Rate*	~23%	~22.5%
CapEx	\$3.9B	\$3.9B
Adj. Free Cash Flow*	N/A	~\$4B

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 retirement plans accounting adjustments, which are impracticable to calculate at this time. See appendix for more information

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



1-Includes ~\$350 million of stranded costs from FedEx Freight
2-Yield excludes fuel-price driven surcharge variations and currency exchange rate effects.

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

Q4 CY26 Considerations

- Embedded Q4 adjusted EPS* range assumption is \$6.03 – \$6.63; results will depend upon yield, service mix, and continued traction on cost reduction initiatives
- Expect Q4 adjusted International operating margin* expansion year-over-year
- Expect Q4 adjusted U.S. Domestic operating margin* down moderately year-over-year due to higher purchased transportation rates, fuel impact, and temporary cost headwinds
- Expect our Q4 CY26 average share count to be approximately 238 million shares

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





Q&A

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.

GAAP to non-GAAP reconciliations

FedEx Corporation

	Q3 CY26					Q3 CY25				
	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
<i>Dollars in millions, except EPS</i>										
GAAP measure	\$ 1,067	4.7%	\$ 134	\$ 290	\$ 1.21	\$ 972	4.8%	\$ 269	\$ 645	\$ 2.73
Loss on Short-term investment ³	—	—%	—	1,238	5.18	—	—%	—	—	—
Gain on extinguishment of debt ³	—	—%	(159)	(468)	(1.97)	—	—%	—	—	—
Restructuring, exit and other costs ⁴	130	0.6%	294	(164)	(0.68)	61	0.3%	13	48	0.20
Non-GAAP measure	\$ 1,197	5.3%	\$ 269	\$ 896	\$ 3.74	\$ 1,033	5.1%	\$ 282	\$ 693	\$ 2.93

1,2,3,4 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

Express U.S Domestic Segment

	Q3 CY26		Q3 CY25	
	Operating Income	Operating Margin	Operating Income	Operating Margin
<i>Dollars in millions</i>				
GAAP measure	\$ 946	6.4%	\$ 884	6.6%
Restructuring, exit and other Costs ⁴	26	0.2%	21	0.2%
Non-GAAP measure	\$ 972	6.6%	\$ 905	6.8%

Express International Segment

	Q3 CY26		Q3 CY25	
	Operating Income	Operating Margin	Operating Income	Operating Margin
<i>Dollars in millions</i>				
GAAP measure	\$ 220	2.9%	\$ 192	3.0%
Restructuring, exit and other Costs ⁴	77	1.0%	4	0.1%
Non-GAAP measure	\$ 297	3.9%	\$ 196	3.1%

⁴ 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

FedEx Corporation

CY26 Adjusted Free Cash flow reconciliation

	<u>Full Year CY26</u>
	<u>Cash Movements</u>
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

CY26 Diluted Earnings Per Share Forecast	CY26 Outlook	
	Adjustments	Diluted Earnings per Share
<i>Dollars in millions, except EPS</i>		
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) ⁴		\$18.00 to \$18.60

1,4 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

<i>Dollars in millions, except EPS</i>	CY25 Actuals	
	Adjustments	Diluted Earnings per Share
GAAP measure		\$14.62
Business optimization costs ⁴	1.11	
Fiscal year change costs ⁴	0.05	
Aircraft Impairment charges ⁴	0.07	
International regulatory matter & legacy FedEx Ground legal matter	0.31	
MTM retirement plans accounting adjustment ³	(1.33)	
Total Adjustment	0.21	
Diluted earnings per share with adjustments (non-GAAP)		\$14.83

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

3,4 See "Footnotes for Non-GAAP Reconciliation Slides" below for details

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 - Effect of "total other (expense) income" on net income amount not shown.

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

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