

FedEx Corporation

Investor Relations
March 18, 2021

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Forward-Looking Statements

Certain statements in this presentation may be considered forward-looking statements, such as statements relating to management's views with respect to future events and financial performance and underlying assumptions. Forward-looking statements include those preceded by, followed by or that include the words "will," "may," "could," "would," "should," "believes," "expects," "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, the negative impacts of the COVID-19 pandemic; economic conditions in the global markets in which we operate; anti-trade measures and additional changes in international trade policies and relations; a significant data breach or other disruption to our technology infrastructure; our ability to successfully integrate the businesses and operations of FedEx Express and TNT Express in the expected time frame and at the expected cost and to achieve the expected benefits from the combined businesses; our ability to successfully implement our FedEx Express workforce reduction plan in Europe; our ability to continue to transform and optimize the FedEx Express international business, particularly in Europe; our ability to successfully implement our business strategy, effectively respond to changes in market dynamics and achieve the anticipated benefits and associated cost savings of such strategies and actions; the future rate of e-commerce growth and our ability to successfully expand our e-commerce services portfolio; damage to our reputation or loss of brand equity; the impact of the United Kingdom's withdrawal from the European Union and the terms of their future trading relationship; the timeline for recovery of passenger airline cargo capacity; changes in fuel prices or currency exchange rates; our ability to match capacity to shifting volume levels; the impact of intense competition; evolving or new U.S. domestic or international government regulation or regulatory actions; future guidance, regulations, interpretations, challenges or judicial decisions related to our tax positions; our ability to effectively operate, integrate, leverage and grow acquired businesses, including ShopRunner, Inc.; legal challenges or changes related to service providers engaged by FedEx Ground and the drivers providing services on their behalf; an increase in self-insurance accruals and expenses; disruptions or modifications in service by, or changes in the business or financial soundness of, the U.S. Postal Service; the impact of any international conflicts or terrorist activities; our ability to quickly and effectively restore operations following adverse weather or a localized disaster or disturbance in a key geography; our ability to achieve our goal of carbon-neutral operations by 2040; constraints, volatility or disruption in the capital markets and our ability to obtain financing; and other factors which can be found in FedEx Corp.'s and its subsidiaries' press releases and FedEx Corp.'s filings with the Securities and Exchange Commission. 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.

Guidance discussed during this presentation was effective as of our most recent earnings release and earnings call issued and held on March 18, 2021. Nothing discussed during this presentation should be construed as reaffirming or disaffirming such guidance.

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Unmatched Global Network

Links More Than 99% of World's GDP

- Over 220 countries and territories, every address in the U.S.
- 682 aircraft and more than 200,000 motorized vehicles
- More than 5,000 operating facilities; more than 650 airports served worldwide
- Delivers 18M shipments per day
- More than 570,000 team members worldwide



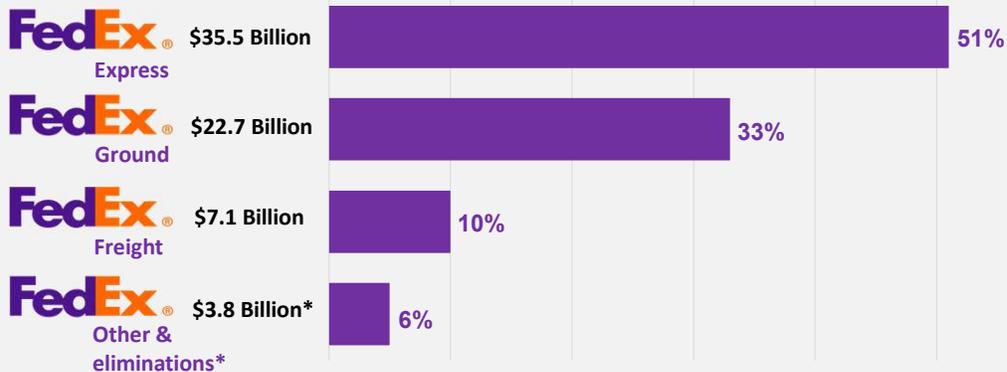
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Broad Portfolio of Services

FY20 Revenues: \$69.2 billion

Team Members: More than 570,000

Countries and Territories Served: More than 220



FedEx Express, FedEx Ground, and FedEx Freight show segment revenue. *Other and eliminations includes revenue from FedEx Logistics and FedEx Office.

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Strategic Operating Principles

“Ultimately, this creates greater value for our customers and shareholders alike.”

- Frederick W. Smith, FedEx Corporation – Chairman & CEO

Compete Collectively

- FedEx brand unites distinct operating companies
- Significant majority of U.S. revenue derived from customers that utilize two or more FedEx operating companies

Operate Collaboratively

- Strategic shift to build a holistic approach that leverages each operating company's unique expertise and network
- Current collaboration includes FedEx Freight providing road and intermodal support for both FedEx Ground and FedEx Express and FedEx Ground providing delivery support as part of Last Mile Optimization

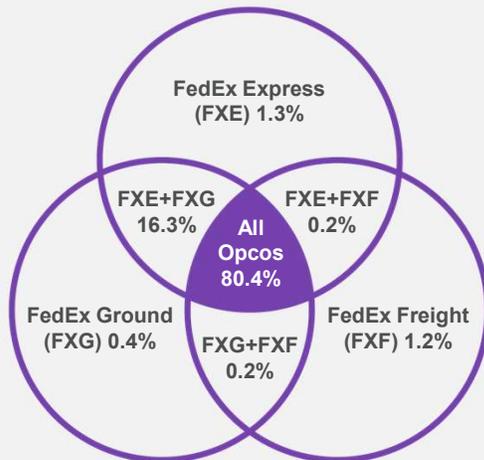
Innovate Digitally

- Innovating digitally allows FedEx to build better insights by using information from our network and the world around it
- FedEx will benefit from the remarkable digital transformation efforts already underway such as:
 - FedEx Dataworks, a new organization focused on putting FedEx's data into context and using it to transform the digital and physical experiences of our customers and team members
 - Our acquisition of ShopRunner, which will accelerate FedEx's ability to play a larger role in e-commerce by connecting brands and merchants to new shoppers, thus improving online shopping experiences and driving significant value as we expand our e-commerce portfolio
 - SenseAware ID and FedEx Surround, which will allow FedEx to harness the immense data we collect to identify new ways to work even smarter

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Bundle of Solutions

% of U.S. Revenue



- Our portfolio of solutions creates a strong value proposition
- 97.1% of U.S. revenue comes from customers of two or more operating companies
- We manage service offerings as a portfolio for the benefit of our customers and FedEx
- Our collaborative operations enable our network to increase efficiency and reduce cost-to-serve

Revenue from U.S. payors for the period June 2019–May 2020. Customer defined at the Country HQ level. FXG includes FedEx Ground Economy service revenue.

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FedEx Long-Term Financial Goals

- Increase EPS 10%–15% per year
- Grow profitable revenue
- Achieve 10%+ operating margin
- Improve cash flows
- Increase ROIC
- Increase returns to shareowners

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Positioning for Long-Term Growth

- E-commerce, including B2B e-commerce, is increasing demand for our services
- FedEx Express integrating TNT Express and continuing to transform and optimize the FedEx Express international business while modernizing its aircraft fleet and major sort facilities
- FedEx Ground gaining profitable revenue share
- FedEx Freight focused on improving revenue quality and operating margins
- FedEx service levels and culture remains strong
- The U.S. domestic parcel market is expected to reach 101 million packages per day by calendar year 2022, with e-commerce contributing 86% of total U.S. market growth

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FedEx Business Trends

Meeting E-Commerce Demands

- Year-round, seven-day-per-week U.S. residential delivery by FedEx Ground
- Significantly later pick up times offered with FedEx Extra Hours Service
- Expanding our retail convenience network with Walgreens, Dollar General, and our own FedEx Office locations
- Building our network's capabilities to more efficiently handle an increase in large items

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COVID-19

- The safety and well-being of FedEx team members and customers remains our first priority.
- Incurred approximately \$210 million in COVID-19-related costs during FY21 year-to-date to provide team members with personal protective equipment and medical/safety supplies, as well as additional security and cleaning services to protect our team members and ensure we are safely providing essential services to our customers.
- Quantified COVID-19-related costs are limited to increased operating expenses related to personal protective equipment, medical and safety supplies, and additional security and cleaning services, and do not include higher labor expenses and increased costs associated with network contingencies as a result of the COVID-19 pandemic.
- Strong increase in demand for U.S. domestic residential and FedEx International Priority® package services.

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FedEx
Pick up and drop off FedEx Express[®] and FedEx Ground[®] packages here.

92%
of people in the U.S. are within 5 miles of a FedEx hold location

Customers want to drop off or pick up at places convenient to their everyday lives — the FedEx retail convenience network offers 60,000 U.S. locations. Now U.S. consumers can pick up their packages at more than 20,000 convenient, secure locations, including 18,000 retail locations such as Walgreens, Dollar General, Walmart, Kroger and Albertsons.

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Pricing Strategy: Grow Yields

- Focused on long-term profitable growth
- FedEx Express and FedEx Ground increased shipping rates an average of 4.9% in January 2021
- FedEx Freight increased rates an average of 4.9%-5.9% in January 2021
- Additional changes to fees and surcharges
- Implemented temporary peak surcharges due to a surge in residential and international volumes and increased operational costs
- Surcharges are continuing

*Details are available at fedex.com/rates2021

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FedEx Express: Long-Term Opportunity

- Integration of TNT will provide growth opportunities and reduce operational costs
- Improving hub automation
- Modernizing air fleet for greater reliability and fuel efficiency
- Continuing yield management
- International revenue growth



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Aligning Synergies with

Integration focused on more complex, higher value markets



Optimized Pickup and Delivery Operations



Integrated Global Express Network



Improved Efficiency of Staff Functions and Processes (SG&A)



Grow Revenue With Best-In-Class Service Portfolio

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Milestones for TNT Integration



End of FY20

- European Ground Interoperability-Flow volume between networks supported by technology
- Linking import and transit clearance
- Enabling cross-sort capabilities



FY21

- Integrating linehaul and pickup-and-delivery operations
- Will begin offering an enhanced portfolio of international services



FY22

- Final phase of air network integration

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FedEx Ground: Building A Better Business

- Superior service, innovation and speed advantage
- Three distinct services: FedEx Ground®, FedEx Home Delivery®, FedEx Ground Economy®
- Flexible business model
- Now operating seven-day residential delivery to virtually all of the U.S. population

fedex.com
1.800.Go.FedEx

AJIE GLOBAL SERVICES INC.
Burlingame, CA
Contracted Service Provider
USDOT 265762

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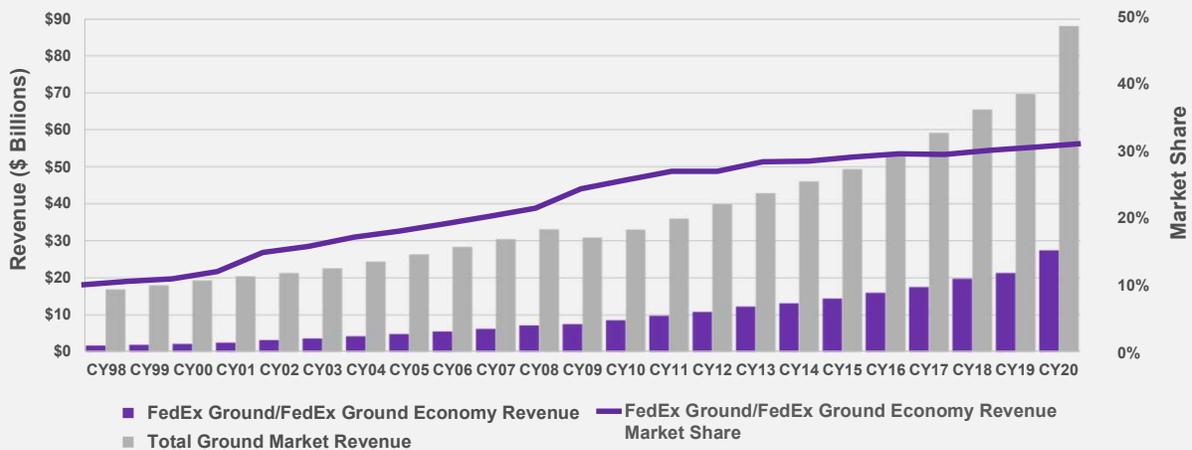
Strong Portfolio of Residential Package Services

FedEx Express	FedEx Ground	FedEx Ground
<ul style="list-style-type: none"> • 1–2 days transit time • Time-definite • MBG* • Declared value up to \$50K 	<p>Home Delivery:</p> <ul style="list-style-type: none"> • 1–5 days transit time • Day-definite • MBG* • Declared value up to \$50K • Heavier-weight 	<p>Ground Economy:</p> <ul style="list-style-type: none"> • 2–8 days transit time • No MBG • No declared value • Lighter-weight

*In response to the COVID-19 pandemic, in March 2020 we temporarily suspended our money-back guarantees for all FedEx Express and FedEx Ground services.

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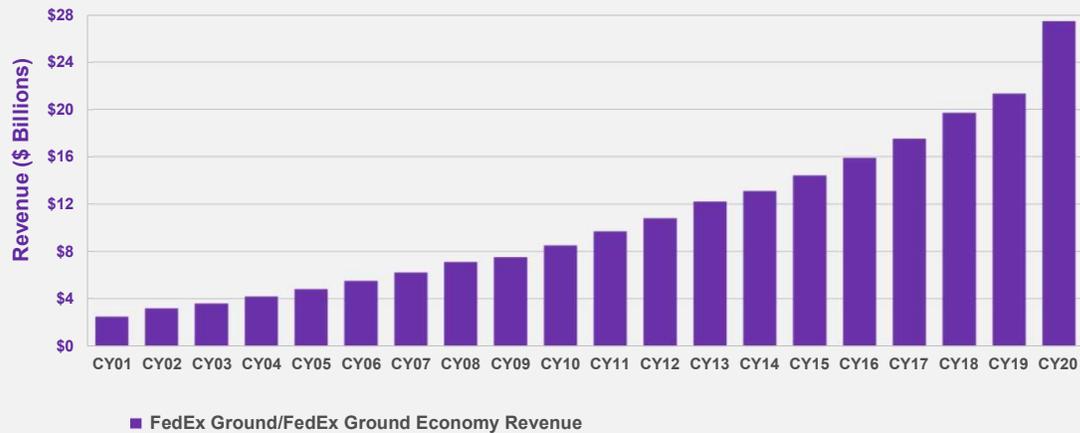
FedEx Ground Revenue Market Share Has Grown to more than 30%



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

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FedEx Ground Annual Revenue of \$27B with a CAGR of 13% Since 2001



Source: FedEx analysis, \$22.7 billion revenue for FY20.

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FedEx Freight: Competitive Advantages

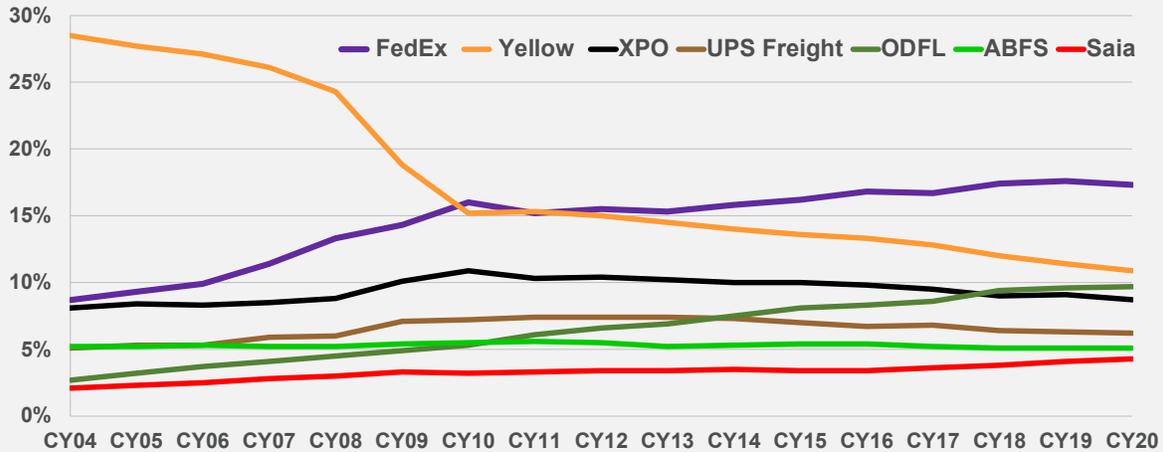
- The only nationwide LTL that offers Priority and Economy service from one network
- Priority: Fastest published times of any nationwide LTL*
- Focused on improving margins with a better balance of volume, pricing and capacity
- Expanding FedEx Freight Direct service for heavy and hard to handle items requiring delivery inside the home or business
- Investing in safety and efficiency improvements

* As of October 2020



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LTL Industry Revenue Market Share



Source: FedEx Analysis

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FedEx Commits to Goal to Achieve Carbon-Neutral Operations by 2040

Key steps toward reaching the carbon neutral goal include:

Vehicle Electrification. By 2040, the entire FedEx parcel pickup and delivery fleet will be zero-emission electric vehicles.

Sustainable Fuels. FedEx will continue to invest in alternative fuels to reduce aircraft and vehicle emissions.

Facilities. FedEx will continue efforts to make its more than 5,000 facilities worldwide more sustainable through continued investments in efficient facilities, renewable energy, and other energy management programs.

Fuel Conservation and Aircraft Modernization. FedEx will build on its successful FedEx Fuel Sense initiatives designed to reduce fuel consumption in its aircraft.

Sustainable Customer Solutions. FedEx will work with customers to offer end-to-end sustainability for their supply chains through carbon-neutral shipping offerings and sustainable packaging solutions.

Natural Carbon Sequestration. FedEx funding will help to establish the Yale Center for Natural Carbon Capture to support applied research into natural carbon sequestration solutions.

Source: sustainability.fedex.com.

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Corporate Social Responsibility

Environmental Impact

- 40% reduction in CO₂ emissions intensity on a revenue basis from FY09-FY19
- Reduced aircraft emissions intensity by 24% through FY19 from a 2005 baseline
- Increased FedEx Express vehicle fuel efficiency by 41% through FY19 from a 2005 baseline

Diversity and Inclusion

- Women represent 23% of FedEx management employees globally
- Minorities comprise 37% of management employees in the United States

Community Commitment

- Invested \$219 million in 200 communities around the world from CY2016-CY2020
- FedEx employees completed over 105,000 volunteer hours in over 500 local communities in FY19

Source: sustainability.fedex.com, information as of May 31, 2019 unless otherwise indicated.

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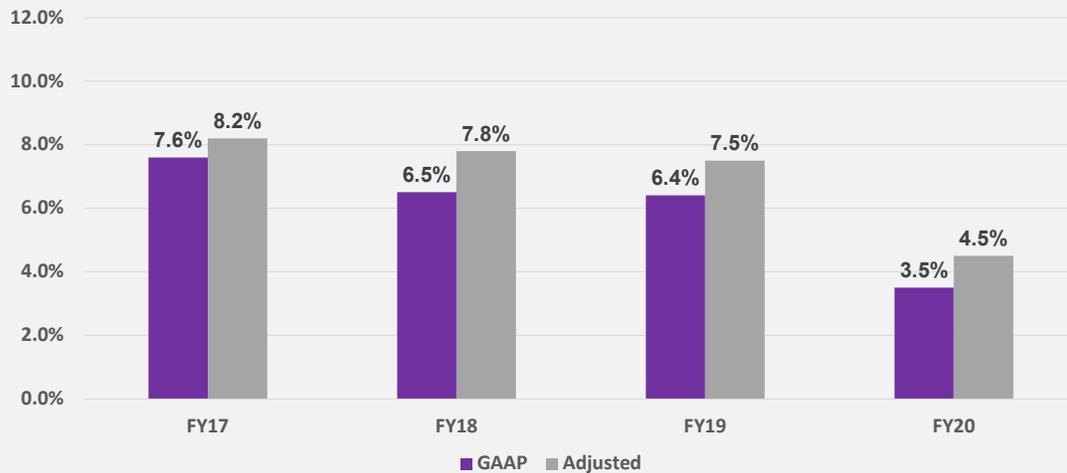
Corporate Social Responsibility- Awards & Recognition

- World's Most Admired Companies 2021 - FORTUNE
 - This is the 21st consecutive year that FedEx has ranked among the top 20 in the FORTUNE Most Admired Companies List.
- America's Most Responsible Companies 2021: Travel, Transport, & Logistics Sector (1st place) - NEWSWEEK
- Best Gender Equality Workplace 2021 - World HRD Congress
- World's Best Employers for Diversity 2020 - FORBES
- The Most Trusted Brands in America 2020 - MORNING CONSULT
- The Civic 50 Listing of America's Most Community-Minded Companies 2020 - POINTS OF LIGHT
- Anti-Corruption and CSR Award 2019 - COALITION FOR INTEGRITY
- Best Workplaces for Diversity 2016, 2017, 2018, and 2019 - FORTUNE AND GREAT PLACE TO WORK INSTITUTE
- 100 Best Companies to Work For 2017, 2018, and 2019 - FORTUNE AND GREAT PLACE TO WORK INSTITUTE
- America's Top Corporations for Women's Business Enterprises 2019 - WOMEN'S BUSINESS ENTERPRISE NATIONAL COUNCIL
- Innovation by Design Award Honoree for Roxo™, the FedEx SameDay Bot 2019 - FAST COMPANY
- Best of the Best Corporation for Inclusion 2019 - NATIONAL BUSINESS INCLUSION CONSORTIUM

Source: sustainability.fedex.com, information as of May 31, 2020 unless otherwise indicated.

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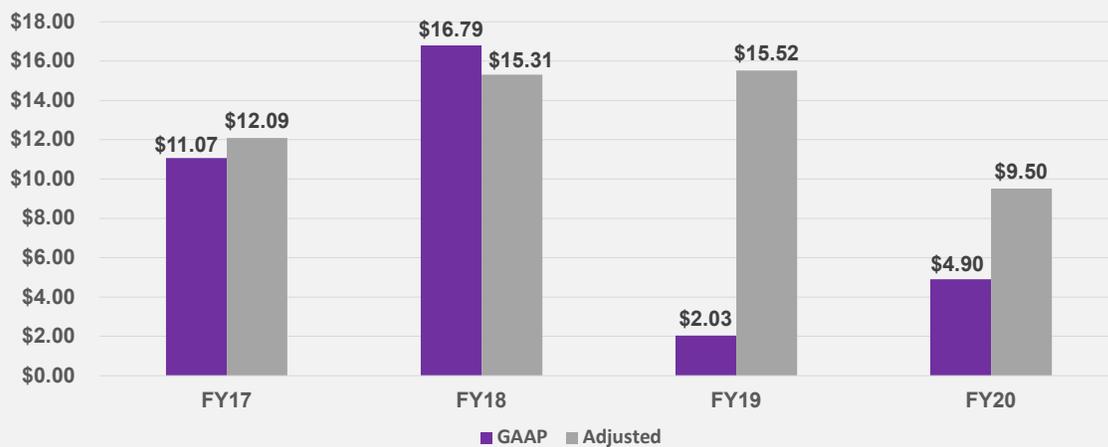
Corporate Operating Margin



Non-GAAP reconciliations are included herein.

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Earnings Per Share

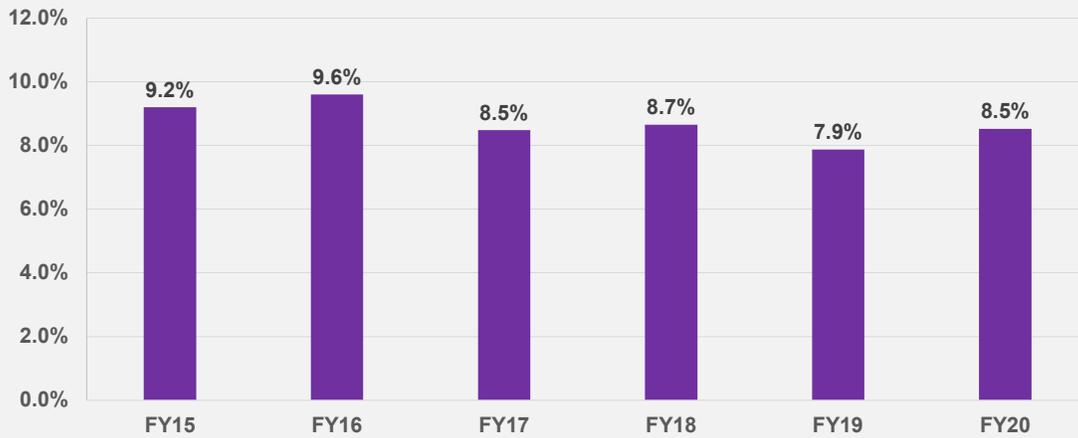


Non-GAAP reconciliations are included herein.

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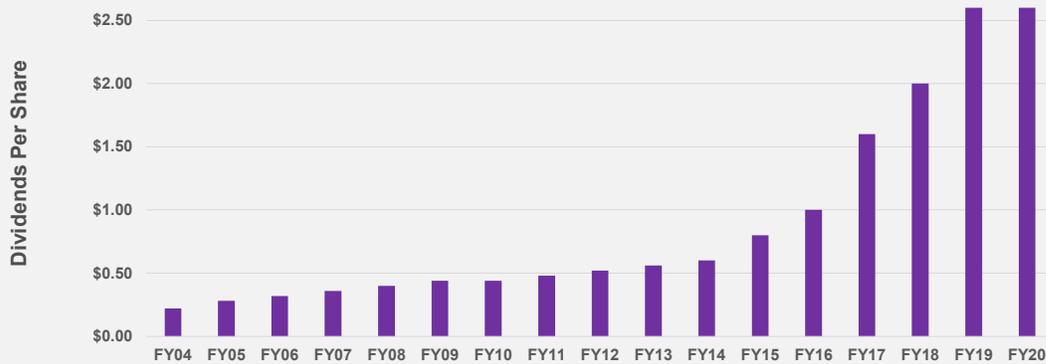
Capital Expenditures

(% of Revenues)



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Dividends Increased at a 5-Year CAGR of 26%



From FY15 through FY20, FedEx returned over \$9.8 billion to shareowners through repurchases and dividends, including an 8% reduction in outstanding shares and more than tripled the company's quarterly dividend. Each quarterly dividend payment is subject to review and approval by our Board of Directors, and we evaluate our dividend payment amount on an annual basis. For more information, see <http://investors.fedex.com/stock-information/dividends/default.aspx>.

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Explanatory Note on Non-GAAP Financial Measures

The company 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 herein.

Additional information about FedEx’s historical financial results is available on our website (investors.fedex.com).

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FY20 Reconciliation for FedEx Corp.

Dollars in millions, except EPS

	Op Income	Op Margin	Income Taxes ¹	Net Income ²	Diluted EPS
GAAP Measure	\$2,417	3.5%	\$383	\$1,286	\$4.90
Mark-to-Market Retirement Plan Accounting Adjustment ³	—	—	211	583	2.22
Goodwill And Other Asset Impairment Charges ⁴	435	0.6%	19	416	1.58
TNT Express Integration Expenses ⁵	270	0.4%	61	209	0.80
Non-GAAP Measure	\$3,122	4.5%	\$674	\$2,494	\$9.50

1,2,3,4,5 See “Footnotes for Non-GAAP Reconciliation Slides” below for details.

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FY19 Reconciliation for FedEx Corp.

Dollars in millions, except EPS

	Op Income	Op Margin ⁶	Income Taxes ¹	Net Income ²	Diluted EPS
GAAP Measure	\$4,466	6.4%	\$115	\$540	\$2.03
Mark-to-Market Retirement Plan Accounting Adjustment ³	---	---	902	2,981	11.22
TNT Express Integration Expenses ⁵	388	0.6%	74	314	1.18
Business Realignment Costs ⁷	320	0.5%	77	243	0.91
FedEx Ground Legal Matter	46	0.1%	3	43	0.16
Net U.S. Deferred Tax Liability Remeasurement	---	---	(4)	4	0.02
Non-GAAP Measure	\$5,220	7.5%	\$1,167	\$4,125	\$15.52

^{1,2,3,5,6,7} See "Footnotes for Non-GAAP Reconciliation Slides" below for details.

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FY18 Reconciliation for FedEx Corp.

Dollars in millions, except EPS

	Op Income	Op Margin	Income Taxes ^{1,6}	Net Income ^{2,6}	Diluted EPS
GAAP Measure	\$4,272	6.5%	(\$219)	\$4,572	\$16.79
FedEx Supply Chain Goodwill and Other Asset Impairments ⁴	380	0.6%	1	379	1.39
TNT Express Integration Expenses ⁵	477	0.7%	105	372	1.36
FedEx Logistics Legal Matters	8	---	2	6	0.02
Mark-to-Market Retirement Plan Accounting Adjustment ³	---	---	(1)	(9)	(0.03)
Net U.S. Deferred Tax Liability Remeasurement	---	---	1,150	(1,150)	(4.22)
Non-GAAP Measure	\$5,137	7.8%	\$1,039	\$4,169	\$15.31

^{1,2,3,5,6} See "Footnotes for Non-GAAP Reconciliation Slides" below for details.

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FY17 Reconciliation for FedEx Corp.

Dollars in millions, except EPS

	Op Income	Op Margin	Income Taxes ¹	Net Income ²	Diluted EPS ⁶
GAAP Measure	\$4,566	7.6%	\$1,582	\$2,997	\$11.07
Mark-to-Market Retirement Plan Accounting Adjustment ³	---	---	(18)	(6)	(0.02)
TNT Express Integration Expenses ⁵	327	0.5%	82	245	0.91
FedEx Logistics Legal Matters	39	0.1%	15	24	0.09
FedEx Ground Legal Matters	22	---	9	13	0.05
Non-GAAP Measure	\$4,954	8.2%	\$1,670	\$3,273	\$12.09

^{1,2,3,5,6} See "Footnotes for Non-GAAP Reconciliation Slides" below for details.

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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 and give consideration to the effects of the TCJA on the applicable rates.
- 2 – Effect of "Total other (expense) income" on net income amount not shown.
- 3 – The Mark-To-Market (MTM) retirement plan accounting adjustment reflects the year-end adjustment to the valuation of the company's defined benefit pension and other postretirement plans. For fiscal 2018, the MTM retirement plan accounting adjustment includes the one-time \$210 million charge recognized in the fourth quarter of fiscal 2018 related to the transfer of approximately \$6 billion of FedEx Corporation's tax-qualified U.S. domestic pension plan obligations to Metropolitan Life Insurance Company.
- 4 – Goodwill impairment charges are not deductible for income tax purposes.
- 5- These expenses, including any restructuring charges, were recognized at FedEx Corporate and FedEx Express.
- 6 – Does not sum to total due to rounding.
- 7 – Business realignment costs are recognized at FedEx Corporate.

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