



FedEx Corporation

Investor Relations

June 24, 2021

1

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 meet our labor and purchased transportation needs while controlling related costs; 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 business strategy, effectively respond to changes in market dynamics and achieve the anticipated benefits and associated cost savings of such strategies and actions, including our ability to successfully implement our FedEx Express workforce reduction plan in Europe and to continue to transform and optimize the FedEx Express international business, particularly in Europe; 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 laws, 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; 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 June 24, 2021. Nothing discussed during this presentation should be construed as reaffirming or disaffirming such guidance.

2

Unmatched Global Network

Links More Than 99% of World's GDP

- Over 220 countries and territories, every address in the U.S.
- 684 aircraft and more than 200,000 motorized vehicles
- More than 5,000 operating facilities; more than 650 airports served worldwide
- Delivers 19M shipments per day
- 570,000 team members worldwide



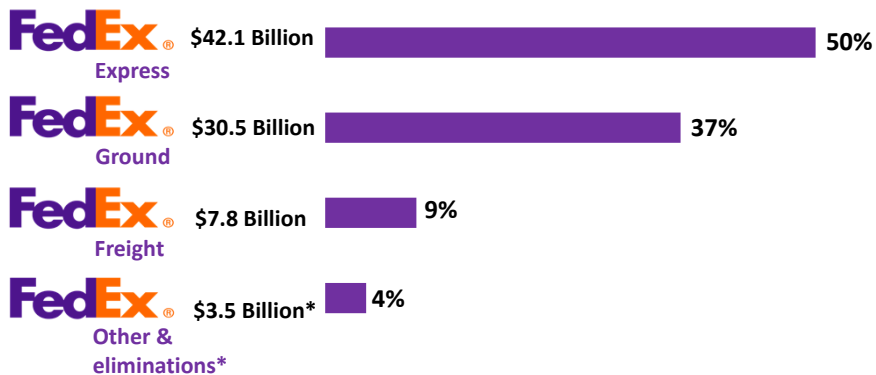
3

Broad Portfolio of Services

FY21 Revenues: \$84 billion

Team Members: 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 operating segments, as well as the financial results of ShopRunner, Inc. beginning December 23, 2020.

4

Strategic Operating Principles

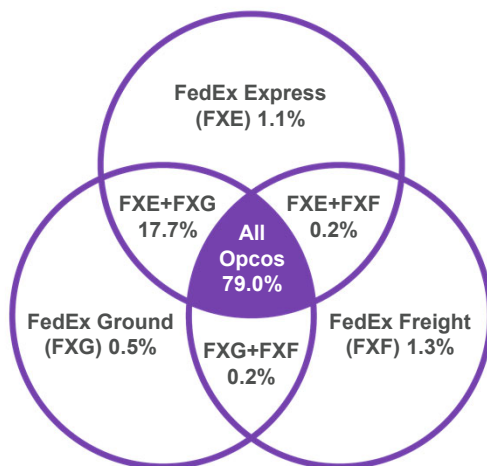
“Ultimately, this creates greater value for our customers and shareholders alike”
- Frederick W. Smith, FedEx Corporation – Chairman & CEO

Compete Collectively	Operate Collaboratively	Innovate Digitally
<ul style="list-style-type: none"> FedEx brand unites distinct operating companies Significant majority of U.S. revenue derived from customers that utilize two or more FedEx operating companies 	<ul style="list-style-type: none"> Strategic shift to build a holistic approach that leverages each operating company's unique expertise and network Current collaboration includes FedEx Ground providing delivery support as part of Last Mile Optimization and FedEx Freight providing road and intermodal support for both FedEx Ground and FedEx Express 	<ul style="list-style-type: none"> 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

5

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 May 2020–April 2021. Customer defined at the Country HQ level.
FXG includes FedEx Ground Economy (previously FedEx SmartPost) service revenue.

6



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



7



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 oriented culture remains strong
- The U.S. domestic parcel market is expected to reach 107 million packages per day in calendar year 2022, with e-commerce contributing 92% of total U.S. market growth



8



FedEx Business Trends

Meeting E-Commerce Demands

- Year-round, seven-day-per-week U.S. residential delivery by FedEx Ground
- Significantly later pickup 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

9



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 nearly 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.

10



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

11



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 energy efficiency
- Continuing yield management
- International revenue growth

12

Aligning Synergies with **TNT**

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

13

Milestones for **TNT** Integration



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

14



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 Ground is faster to more locations than UPS Ground

15

Strong Portfolio of Residential Package Services



FedEx Express

- 1–2 days transit time
- Time-definite
- MBG*
- Declared value up to \$50K



FedEx Ground

Home Delivery:

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



FedEx Ground

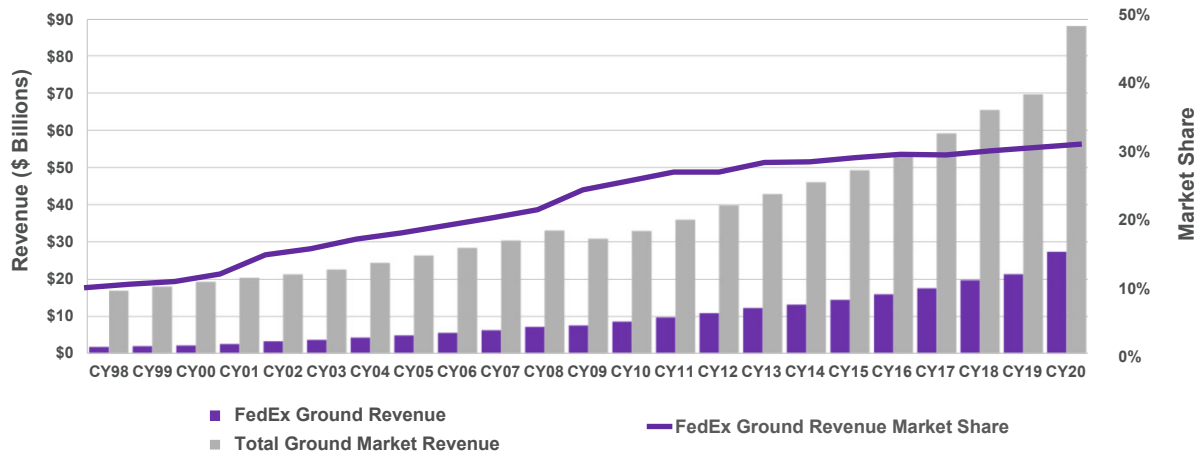
Ground Economy:

- 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. In April 2021 we reinstated the money-back guarantee for select FedEx Express U.S. domestic and U.S. import/export services.

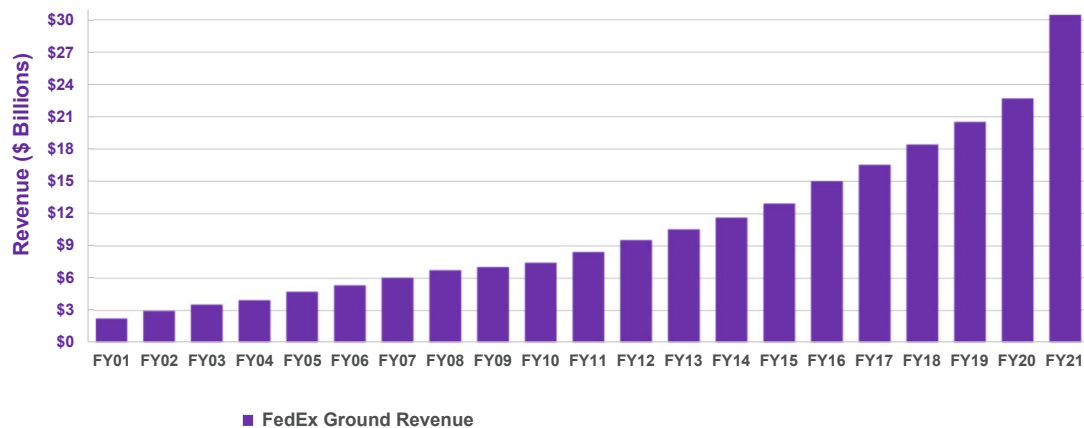
16

FedEx Ground Revenue Market Share Has Grown to More Than 30%



17

FedEx Ground Annual Revenue of \$30.5B with a CAGR of 14% Since FY01



18



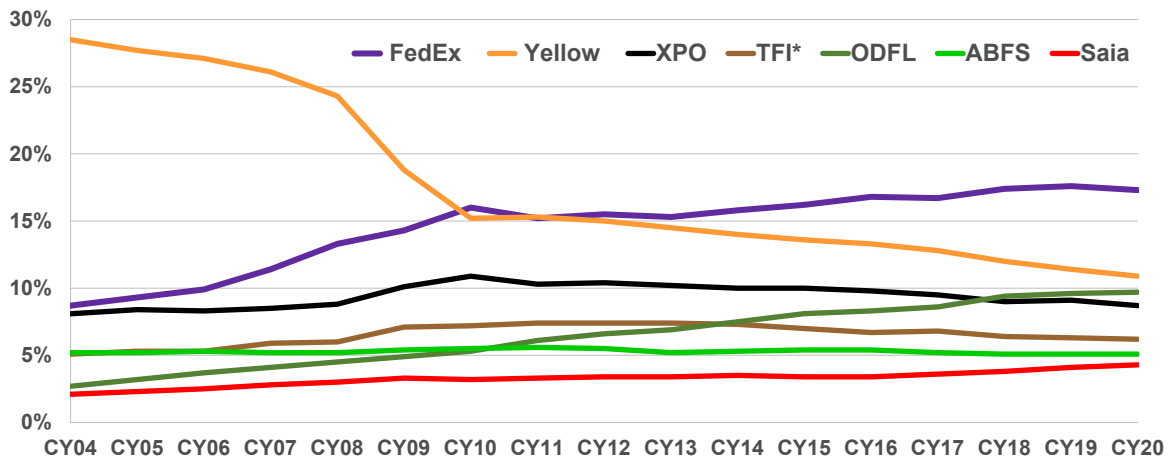
FedEx Freight Competitive Advantages

- The only nationwide LTL that offers Priority and Economy services 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 December 2020

19

LTL Industry Revenue Market Share



Source: FedEx analysis * UPS Freight acquired by TFI on April 30, 2021

20

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

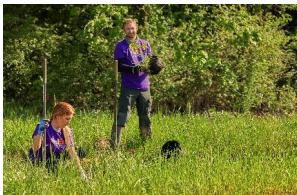


Natural Carbon Sequestration. FedEx funding will help to establish the Yale Center for Natural Carbon Capture to support applied research into natural carbon sequestration solutions

21

21

Corporate Social Responsibility



Environmental Impact

- Since 2005, FedEx has reduced aircraft emission intensity by 27%
- In FY20 alone, FedEx aircraft modernization and FedEx Fuel Sense programs saved more 255 million gallons of fuel and avoided more than 2 million metric tons of CO₂e emissions
- Through FY20, FedEx Express has improved vehicle fuel efficiency by 44.5% from a 2005 baseline

Diversity and Inclusion

- Women represent 25% of FedEx management employees globally
- Minorities comprise 38% of management employees in the United States

Community Commitment

- FedExCares 50 by 50 is our enterprise-wide goal to deliver hope and new possibilities to 50 million people by FedEx's 50th anniversary in 2023
 - FedEx will meet this ambitious goal through a combination of charitable giving, in-kind contributions, and team member volunteerism

Source: 2021 ESG Report & fedexcares.com

22

22

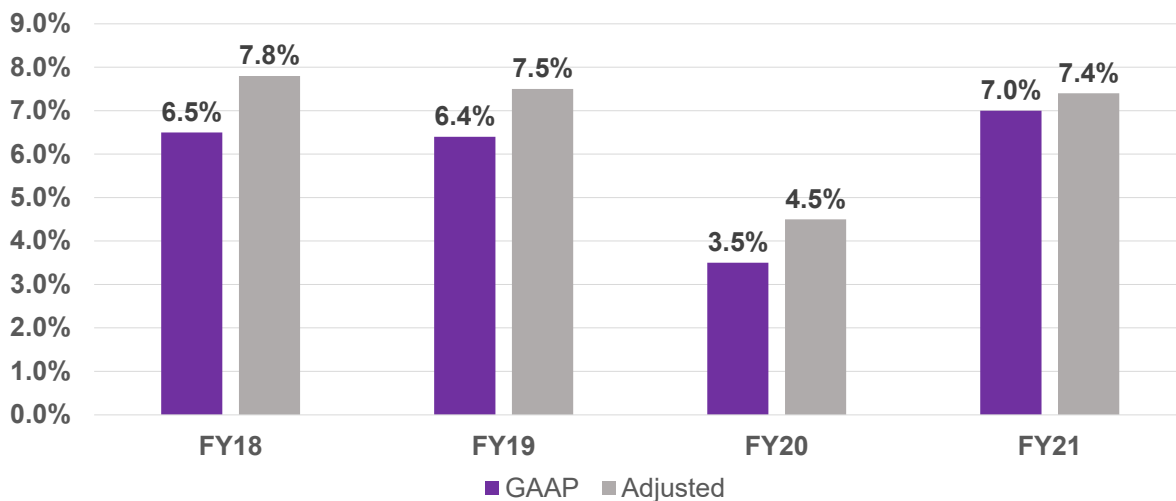
Corporate Social Responsibility-Awards & Recognition

- 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
- America's Best Large Employers for 2021-FORBES
- America's Best Employers for Diversity Award 2021-FORBES
- 100 Most Influential Companies 2021-TIME
- LinkedIn's Top Companies To Grow your Career 2021-LinkedIn
- The Civic 50 Listing of America's Most Community-Minded Companies 2021-POINTS OF LIGHT
- Best Workplaces for Diversity 2016, 2017, 2018, 2019, and 2021-FORTUNE AND GREAT PLACE TO WORK INSTITUTE
- Best Gender Equality Workplace 2021-World HRD Congress
- World's Best Employers 2020-FORBES
- The Most Trusted Brands in America 2020-MORNING CONSULT
- 100 Best Companies to Work For 2017, 2018, and 2019-FORTUNE AND GREAT PLACE TO WORK INSTITUTE

Source: sustainability.fedex.com, information as of June 24, 2021 unless otherwise indicated.

23

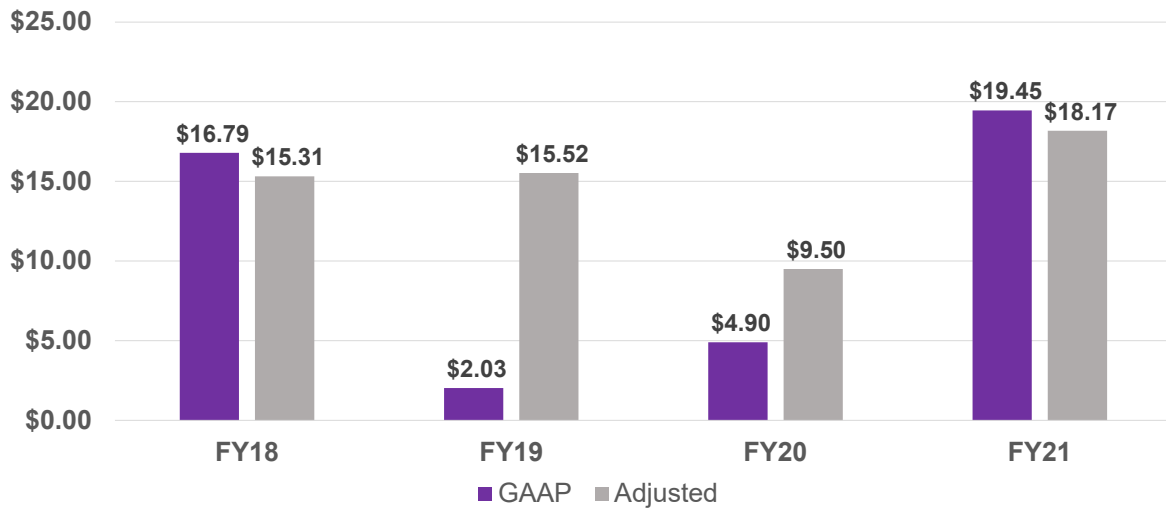
Corporate Operating Margin



Non-GAAP reconciliations are included herein.

24

Earnings Per Share

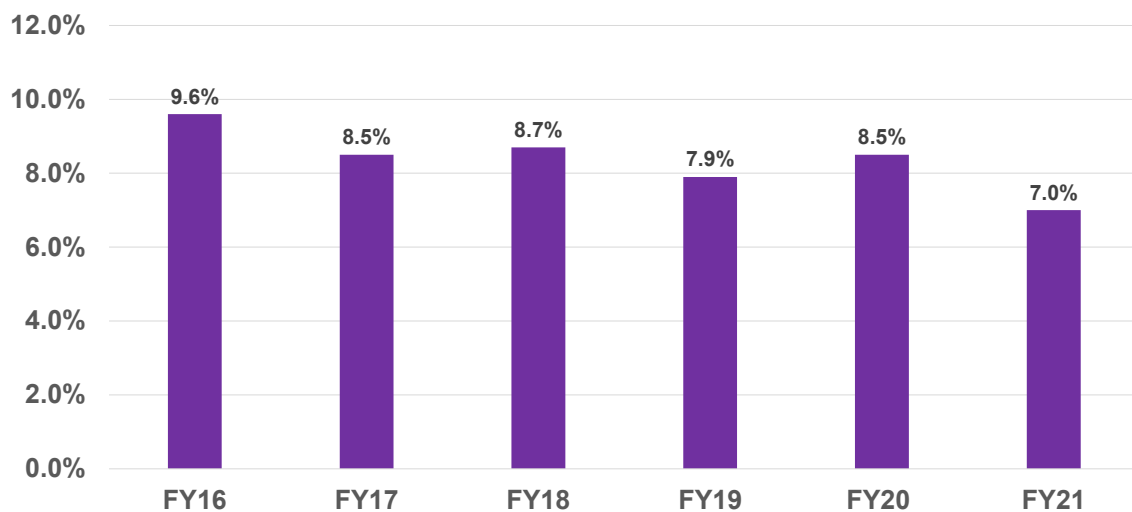


Non-GAAP reconciliations are included herein.

25

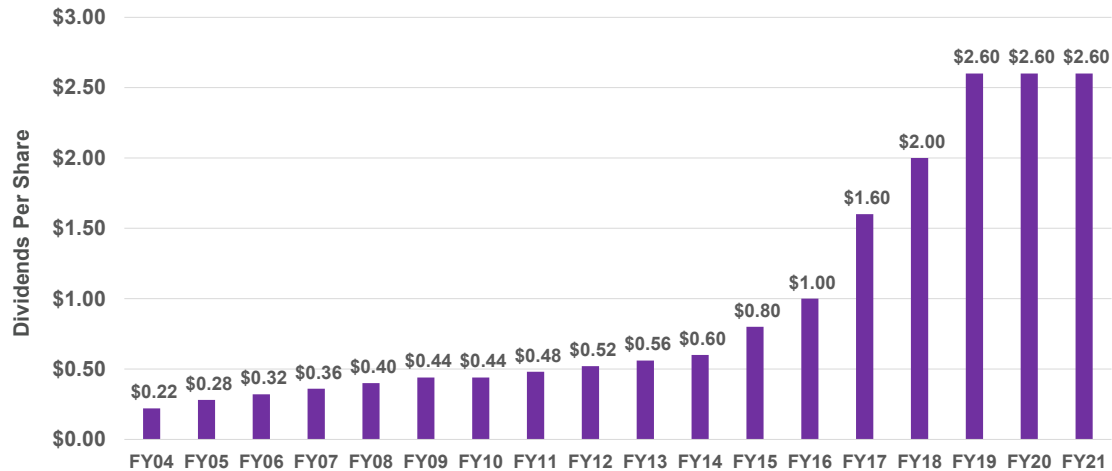
Capital Expenditures

(% of Revenues)



26

Dividends Increased at a 5-Year CAGR of 21%



From FY14 through FY21, FedEx returned over \$15.5 billion to shareowners through repurchases and dividends, and increased the company's quarterly dividend fourfold. On June 14, 2021, FedEx declared a quarterly dividend of \$0.75, representing a 15% increase over the previous quarterly dividend payment. 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>.

27

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).

28

FY21 Reconciliation for FedEx Corp.

Dollars in millions, except EPS

	Op Income	Op Margin	Income Taxes ¹	Net Income ²	Diluted EPS ³
GAAP Measure	\$5,857	7.0%	\$1,443	\$5,231	\$19.45
Mark-to-Market Retirement Plan Accounting Adjustments ⁴	---	---	(281)	(895)	(3.33)
Loss on Debt Extinguishment	---	---	96	297	1.11
TNT Express Integration Expenses ⁵	210	0.3%	48	162	0.60
Business Realignment Costs ⁶	116	0.1%	26	90	0.33
Non-GAAP Measure	\$6,183	7.4%	\$1,332	\$4,885	\$18.17

^{1,2,3,4,5,6} See "Footnotes for Non-GAAP Reconciliation Slides" below for details.

29

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 ⁴	—	—	211	583	2.22
Goodwill And Other Asset Impairment Charges ⁷	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

^{1,2,4,5,7} See "Footnotes for Non-GAAP Reconciliation Slides" below for details.

30

FY19 Reconciliation for FedEx Corp.

Dollars in millions, except EPS

	Op Income	Op Margin ³	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 ⁴	---	---	902	2,981	11.22
TNT Express Integration Expenses ⁵	388	0.6%	74	314	1.18
Business Realignment Costs ⁶	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

^{1,2,3,4,5,6} See "Footnotes for Non-GAAP Reconciliation Slides" below for details.

31

FY18 Reconciliation for FedEx Corp.

Dollars in millions, except EPS

	Op Income	Op Margin	Income Taxes ^{1,3}	Net Income ^{2,3}	Diluted EPS
GAAP Measure	\$4,272	6.5%	(\$219)	\$4,572	\$16.79
Goodwill and Other Asset Impairment Charges ⁷	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 ⁴	---	---	(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

^{1,2,3,4,5,7} See "Footnotes for Non-GAAP Reconciliation Slides" below for details.

32

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 – Does not sum to total due to rounding.

4 –The 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 the fiscal 2021 period, the MTM retirement plan accounting adjustment also includes the second quarter TNT Express MTM retirement plan accounting adjustment related to a noncash loss associated with amending a TNT Express European pension plan to harmonize retirement benefits. For the fiscal 2018 period, the MTM retirement plan accounting adjustment also includes the fourth quarter one-time \$210 million charge 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.

5 –These expenses were recognized at FedEx Corporate and FedEx Express.

6 – Business realignment costs were recognized at FedEx Express.

7 – Goodwill impairment charges are not deductible for income tax purposes.