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## 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, such as statements regarding expected cost savings, the optimization of our network through Network 2.0, the planned tax-free spin-off of the FedEx Freight business into a new independent publicly traded company (the "FedEx Freight Spin-off"), future financial targets, business strategies, management's views with respect to future events and financial performance, and the assumptions underlying such expected cost savings, targets, strategies, and statements. Forward-looking statements include those preceded by, followed by or that include the words "will," "may," "could," "would," "should," "believes," "expects," "forecasts," "anticipates," "plans," "estimates," "targets," "projects," "intends" or similar expressions. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, economic conditions in the global markets in which we operate; our ability to successfully implement our business strategy and global transformation program and optimize our network through Network 2.0, effectively respond to changes in market dynamics, and achieve the anticipated benefits of such strategies and actions; our ability to achieve our cost reduction initiatives and financial performance goals; the timing and amount of any costs or benefits or any specific outcome, transaction, or change (of which there can be no assurance), or the terms, timing, and structure thereof, related to our global transformation program and other ongoing reviews and initiatives; a significant data breach or other disruption to our technology infrastructure; our ability to successfully implement the FedEx Freight Spin-Off and achieve the anticipated benefits of such transaction; anti-trade measures and additional changes in international trade policies and relations; damage to our reputation or loss of brand equity; our ability to remove costs related to services provided to the U.S. Postal Service ("USPS") under the contract for Federal Express Corporation to provide the USPS domestic transportation services that expired on September 29, 2024; 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 effects of a widespread outbreak of an illness or any other communicable disease or public health crises; 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; changes in fuel prices or currency exchange rates, including significant increases in fuel prices as a result of the ongoing conflicts between Russia and Ukraine and in the Middle East and other geopolitical and regulatory developments; the effect of intense competition; our ability to match capacity to shifting volume levels; an increase in self-insurance accruals and expenses; failure to receive or collect expected insurance coverage; our ability to effectively operate, integrate, leverage, and grow acquired businesses and realize the anticipated benefits of acquisitions and other strategic transactions; noncash impairment charges related to our goodwill and certain deferred tax assets; the future rate of e-commerce growth; evolving or new U.S. domestic or international laws and government regulations, policies, and actions; future guidance, regulations, interpretations, challenges, or judicial decisions related to our tax positions; labor-related disruptions; legal challenges or changes related to service providers contracted to conduct certain linehaul and pickup-and-delivery operations and the drivers providing services on their behalf and the coverage of U.S. employees at Federal Express Corporation under the Railway Labor Act of 1926, as amended; our ability to quickly and effectively restore operations following adverse weather or a localized disaster or disturbance in a key geography; any liability resulting from and the costs of defending against litigation; our ability to achieve our goal of carbon-neutral operations by 2040; 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, including our Annual Report on Form 10-K for the fiscal year ended May 31, 2024, and subsequently filed 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. This presentation should be reviewed in conjunction with our third quarter fiscal 2025 earnings release and webcast of the earnings presentation conference call, which are available on FedEx's website at [investors.fedex.com](https://investors.fedex.com).

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## Raj Subramaniam

President & CEO

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## Q3 FY25 overview

Q3 FY25 Results	
Revenue	\$22.2B 2% YoY
Adjusted operating income*	\$1.51B 12% YoY
Adjusted operating margin*	6.8% 60 bps
Adjusted diluted EPS*	\$4.51 17% YoY

- Revenue grew YoY for the first time this fiscal year
- DRIVE savings continued to build: \$600 million YoY benefit during the quarter
- Profit improvement achieved despite the USPS contract expiration and severe weather events
- Industrial economy remains weak
- Tricolor driving better asset utilization
- Global trade policies adding uncertainty to demand, but our flexible global network, digital tools, and data ecosystem enable us to adapt
- Revising our FY25 adjusted diluted EPS outlook range to \$18.00 - \$18.60\*

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

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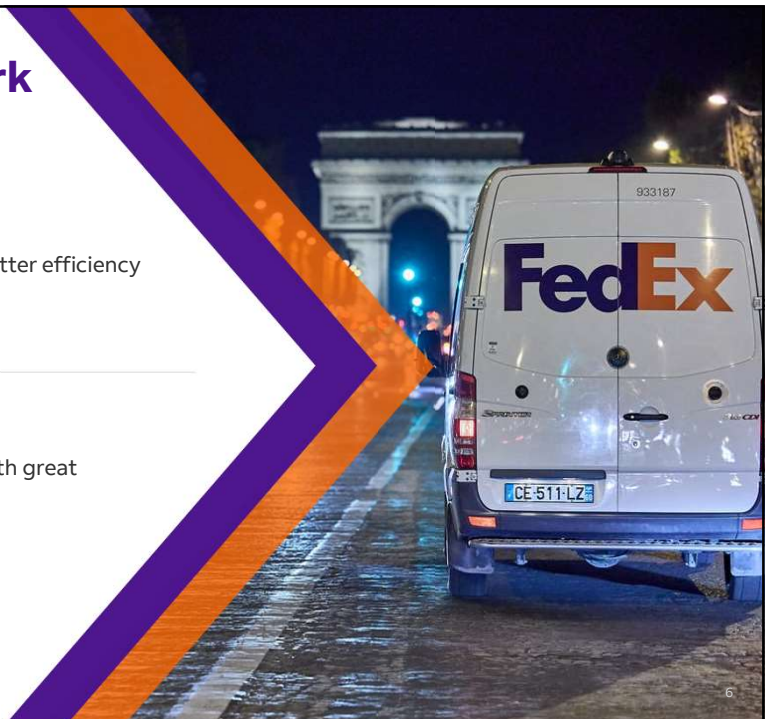
## Advancing our network transformation

### Europe performance improving

- Simplified technology platform driving better efficiency and customer experience
- Service levels continue to improve

### Acquired RouteSmart Technologies

- Used by our legacy Ground operations with great success
- Rolling out to our total global network



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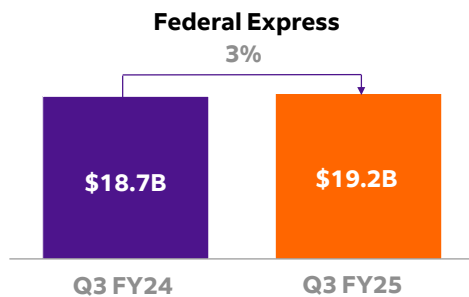
## Brie Carere

EVP & Chief Customer Officer

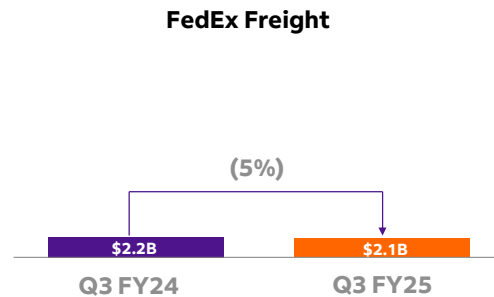
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## Transportation segment revenue performance



- Growth driven by increased demand for our deferred services and higher base yield
- The weak industrial economy continues to constrain demand for priority package and B2B services

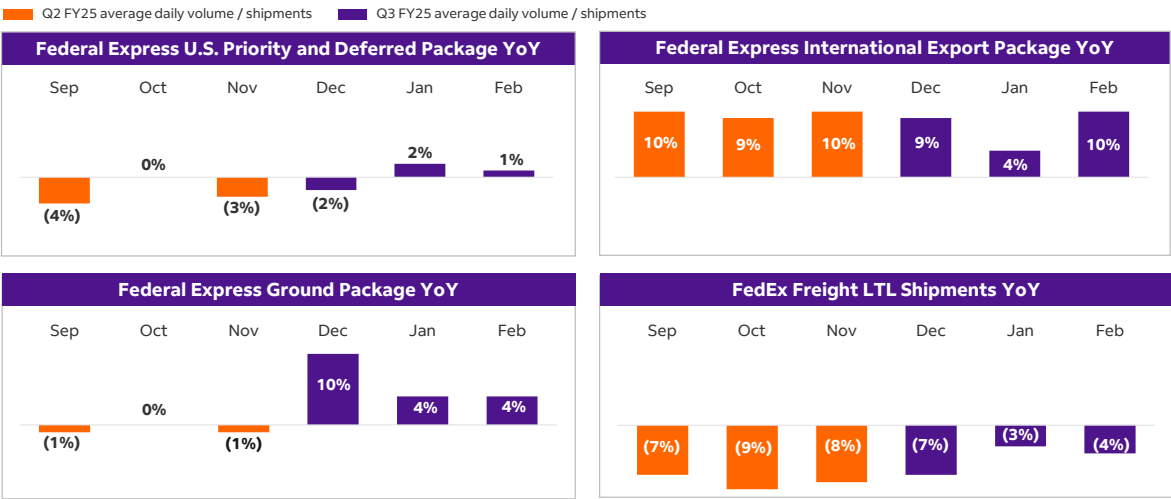


- Decrease driven by fewer shipments, lower fuel surcharges, and reduced weight per shipment
- Base yield higher

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# Volume trends by service

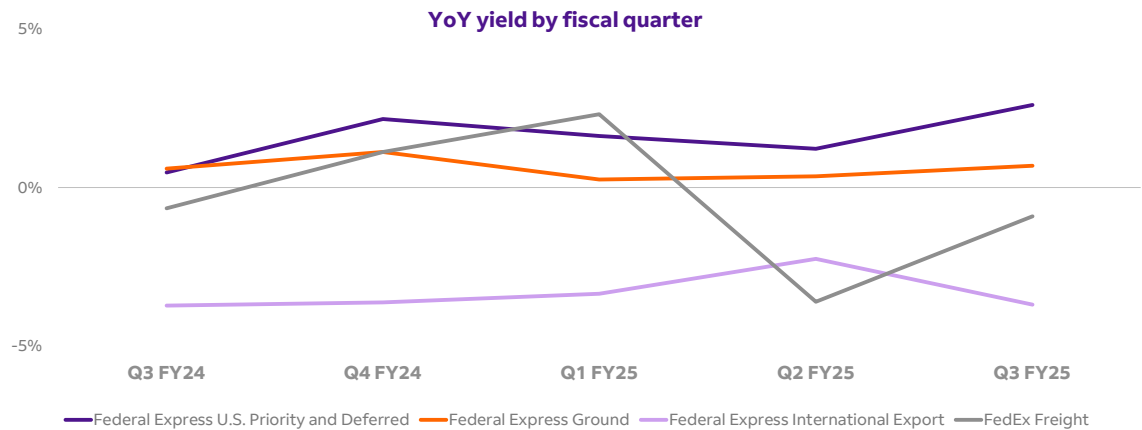


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# Transportation segment yield performance

Revenue quality remains a priority



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## Strategic commercial priorities

### Focused on profitable growth

- Targeting healthcare, automotive, U.S. domestic e-commerce, global air freight, and European sectors
- Onboarding \$400 million of annualized healthcare business

### Expanded FedEx Surround Monitoring and Intervention Suite

- Now offered in 40 countries
- Gives customers enhanced visibility and control over their shipments

### Increased Sunday residential coverage

- Now covering nearly two-thirds of the U.S. population, up from 50% previously
- Expansion will be accretive to earnings in Q1 FY26



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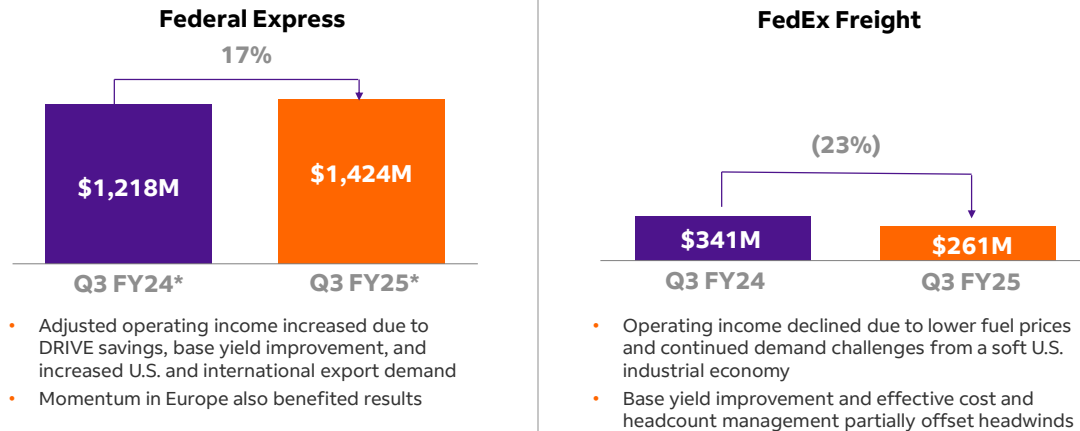
**John Dietrich**

EVP & Chief Financial Officer

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## Transportation segment operating income performance



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

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## DRIVE

*Delivered \$600M of structural cost savings in Q3; quarterly savings to continue building sequentially in Q4*

### Surface Network

- Realized \$135M in cost savings in Q3
- Optimizing surface linehaul network
- Maximizing rail utilization

### Air Network & Int'l.

- Realized \$245M in cost savings in Q3
- Rationalizing the network
- Optimizing route productivity and P&D operations in Europe

### G&A

- Realized \$220M in cost savings in Q3
- Reducing outside vendor spend
- Optimizing our IT and back-office functions

**On track to achieve \$4B of total savings through DRIVE in FY25 compared to FY23 baseline**

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## FY25 outlook

	Dec 2024	Mar 2025
<b>Revenue</b>	Approximately Flat	Flat to slightly down
<b>Adjusted Diluted EPS*</b>	\$19.00 - \$20.00	\$18.00 - \$18.60
<b>Effective tax rate*</b>	24.0%	24.0%
<b>Capital spend</b>	\$5.2B	\$4.9B

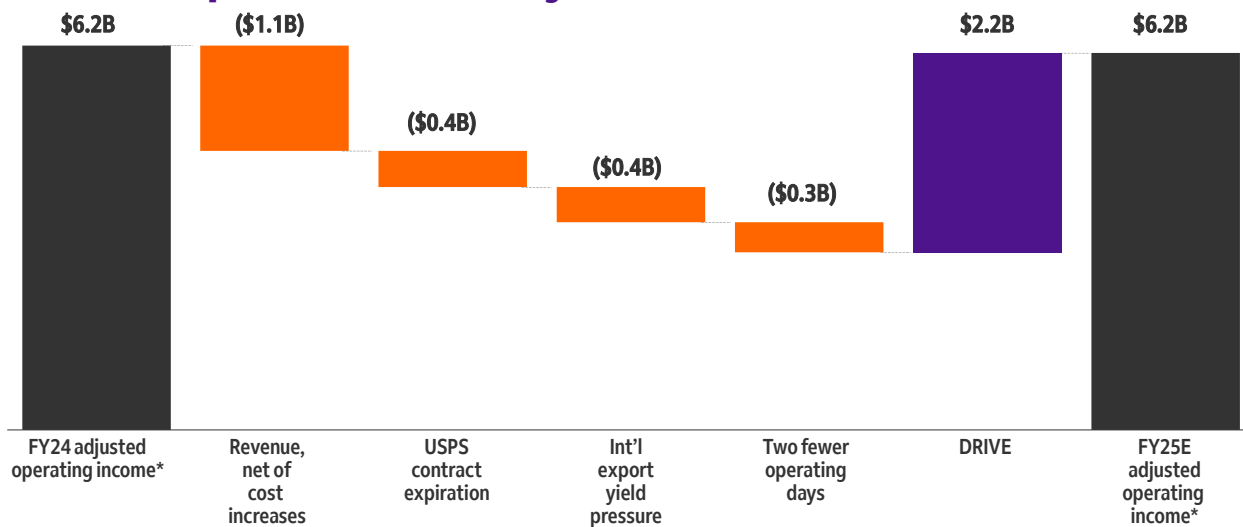
- Revising revenue, adjusted diluted EPS and capital spend outlook
- Global industrial weakness continues to constrain demand; maintaining focus on revenue quality
- USPS headwind expected to moderate in Q4
- One fewer operating day in Q4 to be a \$165M headwind YoY

\*Non-GAAP financial measure; prior to mark-to-market retirement plans accounting adjustments, which are impracticable to calculate at this time. See appendix for more information.

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## Illustrative adjusted operating income\* bridge based on the midpoint of FY25 adjusted diluted EPS\* outlook



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

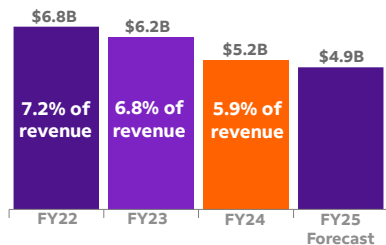
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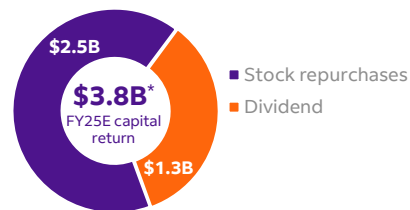
## Capital allocation priorities

Continuing to reduce capital intensity while increasing capital returns



### Lowering capital spend

- Q3 CapEx of \$1.0B; anticipate FY25 CapEx to be \$4.9B, down \$300M year-over-year
- Planning for lower annual aircraft CapEx; expected to be ~\$1B in FY26



### Enhancing capital return to stockholders

- Completed \$0.5B stock repurchases in Q3 FY25 and \$2.5B for FY25
- Expect continued strong levels of adjusted free cash flow
- Expect to return \$3.8B to stockholders in FY25

\*Reflects FedEx's share repurchase and dividend expectations for FY25. Each quarterly dividend payment is subject to review and approval by our Board of Directors

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## FedEx Freight spin-off update

### Separation Management Office is leading the preparation work to ensure a smooth transition

- Making progress on all fronts

### Completed a \$16 billion debt exchange offer and consent solicitation in February

- Creates more flexibility for both companies' capital structures
- Tax-efficient spin

### Business as usual for our FedEx Freight customers

- Maintaining focus on safety, revenue quality, network utilization and operational efficiency



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## Q&A

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## Appendix

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## Non-GAAP financial measures

### FY25 EPS and ETR forecasts

Our fiscal 2025 diluted earnings per share ("EPS") forecast is a non-GAAP financial measure because it excludes fiscal 2025 mark-to-market ("MTM") retirement plans accounting adjustments and estimated costs related to business optimization initiatives, international regulatory and legacy FedEx Ground legal matters, and the planned spin-off of FedEx Freight in fiscal 2025. Our fiscal 2025 effective tax rate ("ETR") forecast is a non-GAAP financial measure because it excludes the effect of fiscal 2025 MTM retirement plans accounting adjustments. We are unable to predict the amount of the MTM retirement plans accounting adjustments, as they are significantly affected by changes in interest rates and the financial markets, so such adjustments are not included in our fiscal 2025 EPS and ETR forecasts. For this reason, a full reconciliation of our fiscal 2025 EPS and ETR forecasts to the most directly comparable GAAP measures is impracticable. It is reasonably possible, however, that our fiscal 2025 MTM retirement plans accounting adjustments could have a material effect on our fiscal 2025 consolidated financial results and ETR. The table included below titled "FY25 earnings per share forecast" outlines the effects of the items that are excluded from our FY25 EPS forecast, other than the MTM retirement plans accounting adjustments.

Our non-GAAP financial measures are intended to supplement and should be read together with, and are not an alternative or substitute for, and should not be considered superior to, our reported financial results. Accordingly, users of our financial statements should not place undue reliance on these non-GAAP financial measures. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

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## GAAP to non-GAAP reconciliations

### FedEx Corporation

	Q3 FY25					Q3 FY24				
	Operating Income	Operating Margin	Income Taxes <sup>1</sup>	Net Income <sup>2</sup>	Diluted Earnings Per Share	Operating Income	Operating Margin	Income Taxes <sup>1</sup>	Net Income <sup>2</sup>	Diluted Earnings Per Share
<i>Dollars in millions, except EPS</i>										
GAAP measure	\$ 1,292	5.8%	\$ 272	\$ 909	\$ 3.76	\$ 1,243	5.7%	\$ 304	\$ 879	\$ 3.51
Business optimization costs <sup>3</sup>	179	0.8%	42	137	0.56	114	0.5%	27	87	0.35
International regulatory and legacy FedEx Ground legal matters <sup>4</sup>	38	0.2%	9	29	0.12	—	—	—	—	—
FedEx Freight spin-off costs <sup>5</sup>	5	0.0%	5	17	0.07	—	—	—	—	—
Non-GAAP measure	\$ 1,514	6.8%	\$ 328	\$ 1,092	\$ 4.51	\$ 1,357	6.2%	\$ 331	\$ 966	\$ 3.86

### Federal Express Segment

	Q3 FY25		Q3 FY24	
	Operating Income	Operating Margin	Operating Income	Operating Margin
<i>Dollars in millions, except EPS</i>				
GAAP measure	\$ 1,294	6.7%	\$ 1,173	6.3%
Business optimization costs	92	0.5%	45	0.2%
International regulatory and legacy FedEx Ground legal matters	38	0.2%	—	—
Non-GAAP measure	\$ 1,424	7.4%	\$ 1,218	6.5%

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

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## GAAP to non-GAAP reconciliations

### FY25 Diluted Earnings Per Share Forecast

<i>Dollars in millions, except EPS</i>	Full-Year FY25 Outlook	
	Adjustments	Diluted Earnings Per Share
Diluted earnings per share before MTM retirement plans accounting adjustments (non-GAAP) <sup>6</sup>		\$15.15 to \$15.75
Business optimization costs	\$ 850	
International regulatory and legacy FedEx Ground legal matters	38	
FedEx Freight spin-off costs	25	
Total adjustments	913	
Income tax effect <sup>1</sup>	(214)	
Net of tax effect	\$ 699	2.85
Diluted earnings per share with adjustments (non-GAAP) <sup>6</sup>		\$18.00 to \$18.60

### FY25 Outlook Midpoint Operating Income Forecast

<i>Dollars in millions, except EPS</i>	Full-Year FY25 Outlook
Operating income (GAAP measure)	\$ 5,287
Business optimization costs	850
International regulatory and legacy FedEx Ground legal matters	38
FedEx Freight spin-off costs	25
Total adjustments	913
Operating income (non-GAAP measure)	\$ 6,200

1,6 See "Footnotes for Non-GAAP Reconciliation Slides" below for details

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## GAAP to non-GAAP reconciliations

### FY24 Operating Income

<i>Dollars in millions, except EPS</i>	Full-Year FY24 Actual
Operating income (GAAP measure)	\$ 5,559
MTM retirement plans accounting adjustment <sup>7</sup>	—
Business optimization costs <sup>3</sup>	582
Asset impairment charges <sup>4</sup>	157
Remeasurement of state deferred income taxes under one FedEx structure <sup>8</sup>	—
FedEx Ground legal matter <sup>8</sup>	(57)
Operating Income (non-GAAP measure)	\$ 6,241

3,4,7,8 See "Footnotes for Non-GAAP Reconciliation Slides" below for details

## Footnotes for non-GAAP reconciliation slides

- Income taxes are based on the company's approximate statutory tax rates applicable to each transaction.
- Effect of "total other (expense) income" on net income amount not shown.
- These expenses were recognized at Federal Express, as well as Corporate, other, and eliminations.
- These expenses were recognized at Federal Express.
- These expenses were recognized at Corporate, other, and eliminations.
- The MTM retirement plans accounting adjustments, which are impracticable to calculate at this time, are excluded.
- The MTM retirement plans accounting adjustment reflects the year-end adjustment to the valuation of the company's defined benefit pension and other postretirement plans.
- These amounts were recognized at FedEx Corporate.

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