



## Forward-Looking Statements and Non-GAAP Financial Measures

Certain statements in this presentation may be considered forward-looking statements, such as statements regarding expected cost savings, the optimization of our network through Network 2.0, 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 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; damage to our reputation or loss of brand equity; our ability to adjust our air network 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 through 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; anti-trade measures and additional changes in international trade policies and relations; 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. 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 or geopolitical 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 first 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).

3



## Raj Subramaniam

President & CEO

4

## Q1 FY25 overview

Q1 FY25 Results	
Revenue	\$21.6B (0%) YoY
Adj. operating income*	\$1.2B (24%) YoY
Adj. operating margin*	5.6% (170) bps
Adj. EPS*	\$3.60 (21%) YoY

- Q1 results reflect a challenging demand environment, particularly in U.S. domestic package market
- DRIVE on track to deliver \$4B of savings compared to FY23 baseline; expect savings to increase sequentially by quarter
- Implementing significant pricing actions to support FY25 outlook
- Advancing Network 2.0 roll out and Tricolor strategy to strengthen our competitive positioning, increase the flexibility of our network, lower our cost to serve, and grow in new, profitable markets
- Narrowing our FY25 adjusted EPS outlook range to \$20-\$21\*

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

5

## DRIVE is the foundation of how we work

*Delivered \$390M of structural cost savings in Q1; savings to build sequentially in FY25*

### Surface Network

- Realized \$90M in cost savings
- Focused on efficiency improvements in linehaul

### Air Network & Int'l.

- Realized \$160M in cost savings
- Maximizing staffing efficiency at hubs and ramps
- Optimizing in-station processes in Europe
- Continue to expect \$600 million of cumulative DRIVE-related savings from Europe

### G&A Savings

- Realized \$140M in cost savings
- Improving efficiency of our IT function
- Centralizing and organizing procurement by spend category

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

6

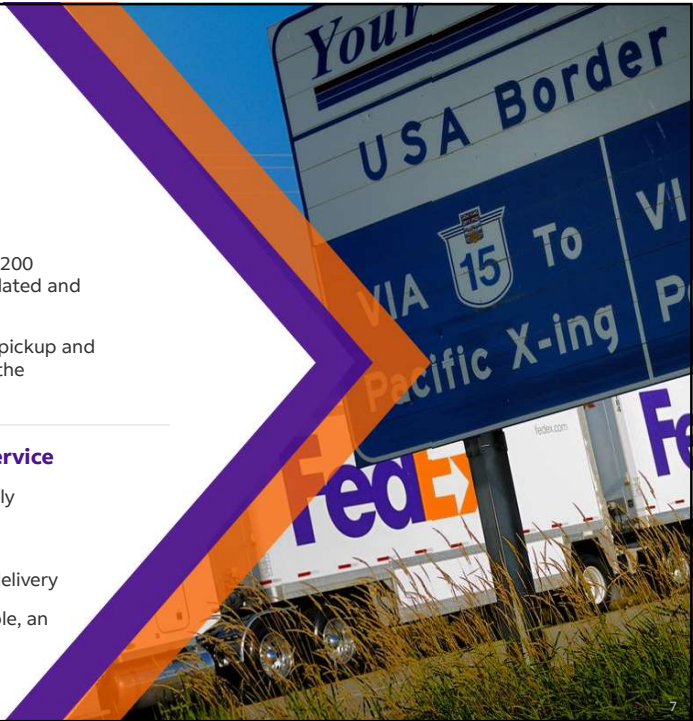
## Advancing our network transformation

### Network 2.0 strategy is working

- Canada optimization well underway
- On completion of Canada's rollout in early CY25, nearly 200 facilities across the U.S. and Canada will handle consolidated and integrated Federal Express volume
- Integrated facilities have achieved a ~10% reduction in pickup and delivery costs with service levels meeting or exceeding the network average

### Leveraging innovation to facilitate high-quality service

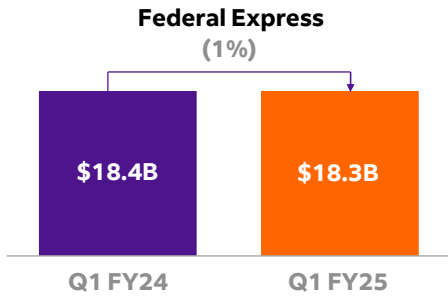
- Introduced Shipment Eligibility Orchestrator, dynamically routing packages in real time
- Launched Hold-to-Match, increasing stop density and lowering our cost per package while ensuring on-time delivery
- Announced strategic alliance and investment with Nimble, an AI robotics and autonomous e-commerce fulfillment technology company



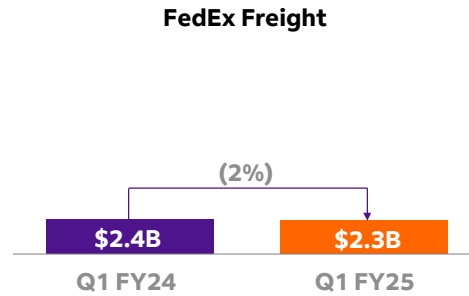
**Brie Carere**

EVP & Chief Customer Officer

# Transportation segment revenue performance



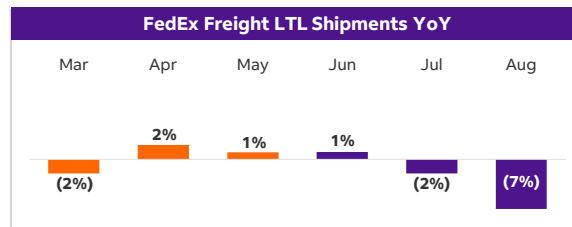
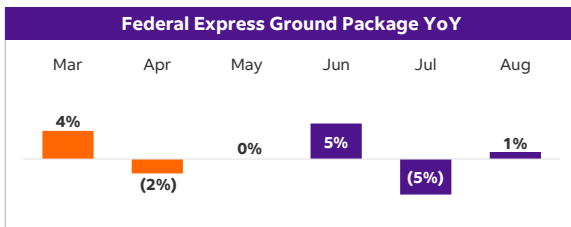
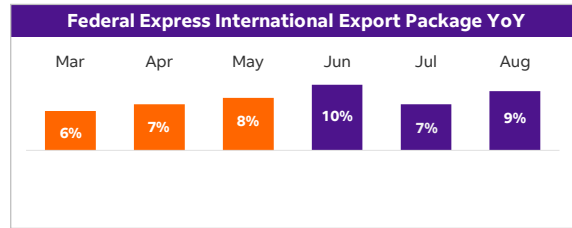
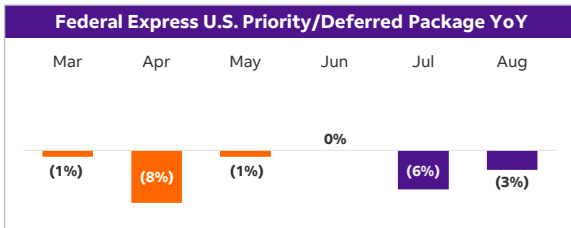
- Decline driven by one fewer operating day, a mix shift toward deferred services, partially offset by higher International Economy package volume



- Decline driven by reduced weight per shipment and shipments, lower fuel surcharges, and one fewer operating day, partially offset by higher base yields

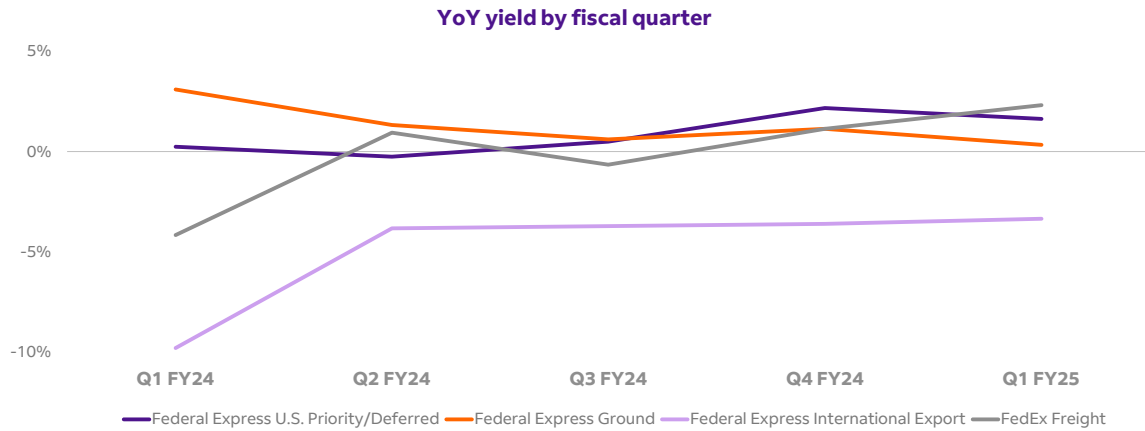
# Volume trends by service

■ FY24 Q4 average daily volume / shipments
 ■ FY25 Q1 average daily volume / shipments



# Transportation segment yield performance

Pricing environment remains very competitive but rational



11

# Portfolio and customer experience enhancements

## Tricolor

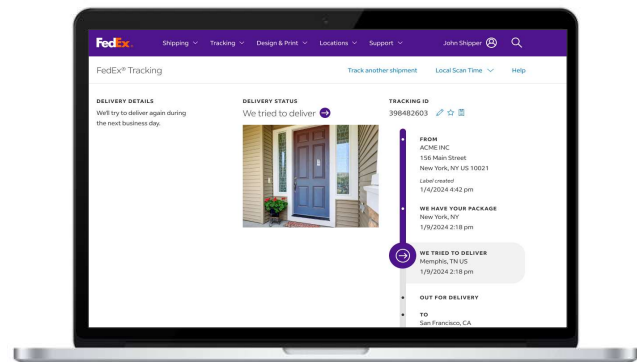
Positioned to profitably grow our international business

- Established the international network design in Q1 FY25
- Launched FedEx Deferred Freight service
- Enhancing our operations to drive increased density, lower last-mile cost, and improved international dimension capture

## Picture Proof of Delivery Attempt

Providing customers improved visibility to their shipments

- Launching next month to provide customers with a picture of a door tag in the event of a missed delivery
- This feature will bolster communication and elevate the customer experience



12

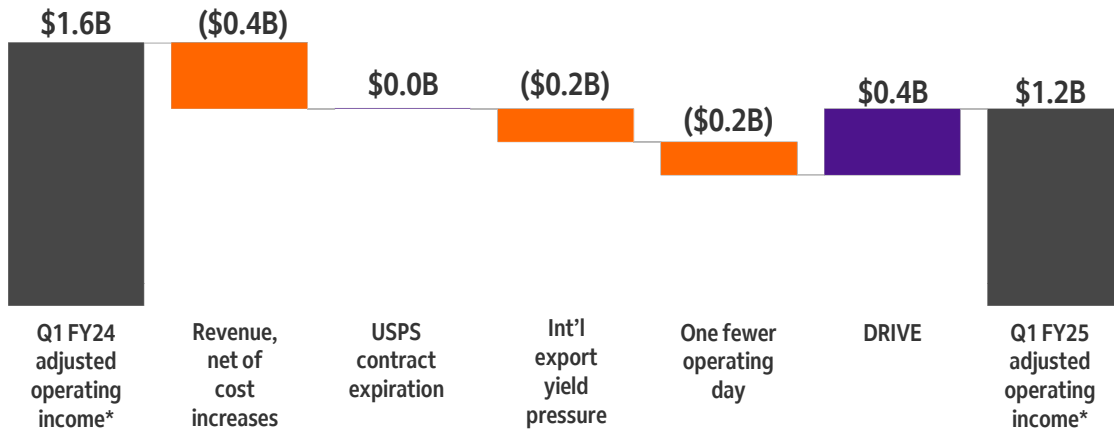


## John Dietrich

EVP & Chief Financial Officer

13

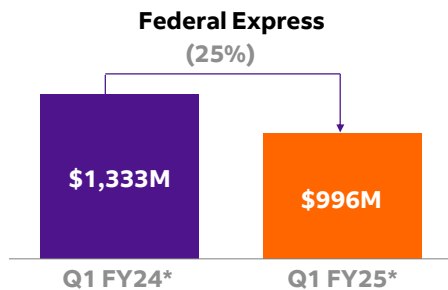
### Q1 FY25 YoY adjusted operating income bridge



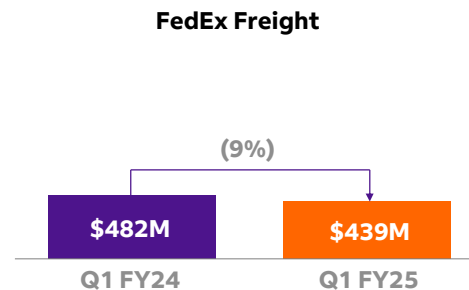
\*Non-GAAP financial measure; see appendix for more information

14

## Transportation segment operating income performance



- Adjusted operating income decreased due to one fewer operating day and lower U.S. domestic priority package volume, partially offset by higher International Economy package volume
- Increased wage and purchased transportation rates also negatively impacted operating results, partially offset by DRIVE savings



- Operating income decline driven by a decline in weight per shipment, reduced priority shipments, and one fewer operating day, partially offset by base yield improvement

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

15

## FY25 outlook

	Jun 2024	Sep 2024
<b>Revenue</b>	Low-to-mid single digit percentage growth	Low single-digit percentage growth
<b>Adjusted EPS*</b>	\$20 - \$22	\$20 - \$21
<b>Effective tax rate*</b>	24.5%	24.5%
<b>Capital spend</b>	\$5.2B	\$5.2B

### Commentary:

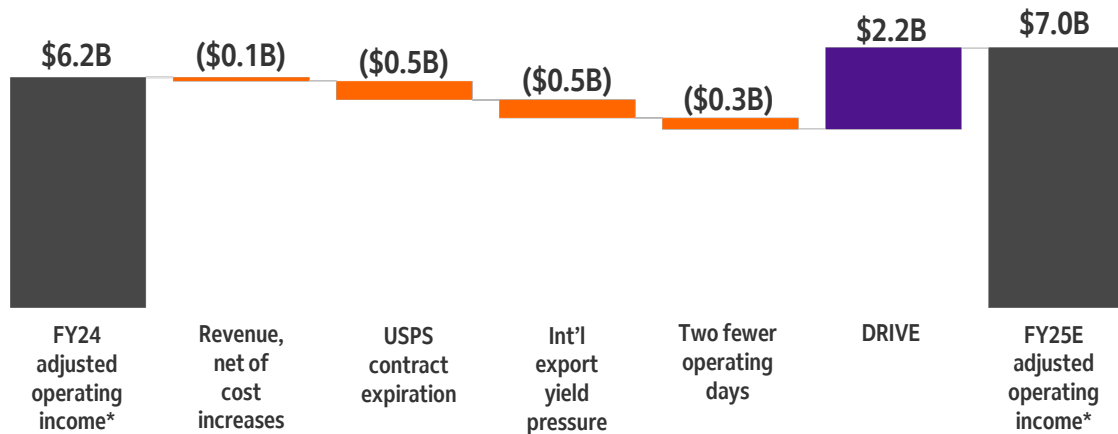
- Revising FY25 revenue and adjusted EPS outlook
- Top end of adjusted EPS range assumes improvement in the pricing environment and a recovery in the industrial economy in the second half of FY25
- Headwind from the USPS contract expiration begins in Q2, and Cyber Week shifts into Q3, driving lower-than-normal Q2 seasonality
- Expect better-than-normal seasonality in 2H due to the ramping of DRIVE savings and timing of Cyber Week
- Confident in the execution of DRIVE and pricing actions to support the revised FY25 outlook

\*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.

16



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

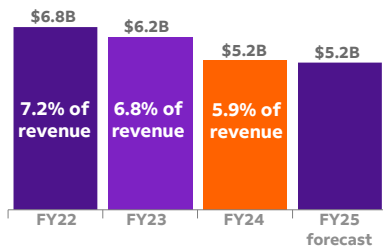


\*Non-GAAP financial measure; see appendix for more information

17

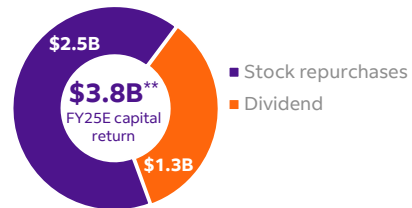
## Capital allocation priorities

Continuing to reduce capital intensity while increasing capital returns



### Lowering capital spend

- Q1 CapEx of \$767M; anticipate FY25 CapEx to be flat year-over-year at \$5.2B
- Planning for lower annual aircraft CapEx; expected to be ~\$1B in FY26



### Enhancing capital return to stockholders

- Completed \$1B accelerated stock repurchase in Q1 FY25
- Planned \$1B stock repurchase in Q2 FY25
- Expect continued strong levels of adjusted free cash flow\*
- Expect to return \$3.8B to stockholders in FY25

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

\*\*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

18



## Non-GAAP financial measures

### FY25 EPS and ETR forecasts

Our fiscal 2025 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 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.

### FY24 and FY25 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.

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.

21

## Q1 FY25 reconciliation for FedEx Corporation

Dollars in millions, except EPS	Operating Income	Operating Margin	Income Taxes <sup>1</sup>	Net Income <sup>2</sup>	Diluted Earnings Per Share
<b>GAAP measure</b>	\$1,080	5.0%	\$262	\$794	\$3.21
Business optimization costs <sup>3</sup>	128	0.6%	30	98	0.39
<b>Non-GAAP measure</b>	\$1,208	5.6%	\$292	\$892	\$3.60

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

22

## Q1 FY25 reconciliation for Federal Express segment

Dollars in millions	Operating Income	Operating Margin
<b>GAAP measure</b>	\$953	5.2%
<b>Business optimization costs</b>	43	0.2%
<b>Non-GAAP measure</b>	\$996	5.4%

23

## Q1 FY24 reconciliation for FedEx Corporation

Dollars in millions, except EPS	Operating Income	Operating Margin	Income Taxes <sup>1</sup>	Net Income <sup>2</sup>	Diluted Earnings Per Share
<b>GAAP measure</b>	\$1,485	6.8%	\$345	\$1,078	\$4.23
<b>Business optimization costs<sup>3</sup></b>	105	0.5%	24	81	0.32
<b>Non-GAAP measure</b>	\$1,590	7.3%	\$369	\$1,159	\$4.55

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

24

## Q1 FY24 reconciliation for Federal Express segment

Dollars in millions	Operating Income	Operating Margin
<b>GAAP measure</b>	<b>\$1,306</b>	<b>7.1%</b>
Business optimization costs	27	0.1%
<b>Non-GAAP measure</b>	<b>\$1,333</b>	<b>7.2%</b>

25

## FY25 earnings per share forecast

Dollars in millions, except EPS	Adjustments	Diluted Earnings Per Share
Earnings per diluted share before MTM retirement plans accounting adjustments (non-GAAP) <sup>4</sup>		\$17.90 to \$18.90
Business optimization costs	\$670	
Income tax effect <sup>1</sup>	(160)	
Net of tax effect	\$510	2.10
Earnings per diluted share with adjustments (non-GAAP) <sup>4</sup>		\$20.00 to \$21.00

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

26

## FY25 outlook midpoint operating income forecast

Dollars in millions

Operating income (GAAP measure)	\$6,330
Business optimization costs	670
Adjusted operating income (non-GAAP)	\$7,000

27

## FY24 reconciliation for FedEx Corporation

Dollars in millions

Operating Income

GAAP measure	\$5,559
MTM retirement plans accounting adjustment <sup>5</sup>	—
Asset impairment charges <sup>6</sup>	157
Business optimization costs <sup>3</sup>	582
Remeasurement of state deferred income taxes under one FedEx structure <sup>7</sup>	—
FedEx Ground legal matter <sup>7</sup>	(57)
Non-GAAP measure	\$6,241

3,5,6,7 See "Footnotes for Non-GAAP Reconciliation Slides" below for details

28

## FY24 and FY25 free cash flow and adjusted free cash flow

Dollars in billions	Fiscal 2025E	Fiscal 2024 <sup>8</sup>
Cash provided by operating activities (GAAP)	\$8.2	\$8.3
Capital expenditures	(5.2)	(5.2)
Proceeds from asset dispositions and other	0.1	0.1
Free cash flow (non-GAAP)	3.1	3.3
Voluntary contributions to tax-qualified U.S. domestic pension plans	0.8	0.8
Adjusted free cash flow (non-GAAP)	\$3.9	\$4.1

<sup>8</sup> See "Footnotes for Non-GAAP Reconciliation Slides" below for details

29

## 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. These expenses were recognized at Corporate, other, and eliminations, as well as Federal Express.
4. The MTM retirement plans accounting adjustments, which are impracticable to calculate at this time, are excluded
5. 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.
6. These expenses were recognized at Federal Express.
7. These amounts were recognized at FedEx Corporate.
8. Does not sum to total due to rounding

30