



FedEx Reports First Quarter Diluted EPS of \$3.21 and Adjusted Diluted EPS of \$3.60

*FedEx Seamlessly Transitioned to One FedEx at the Start of Fiscal 2025
\$1 Billion Share Repurchase Completed During Quarter
Full-Year Fiscal 2025 Earnings Outlook Range Narrowed*

MEMPHIS, Tenn., September 19, 2024 ... FedEx Corp. (NYSE: FDX) today reported the following consolidated results for the first quarter ended August 31 (adjusted measures exclude the item listed below):

| | Fiscal 2025 | | Fiscal 2024 | |
|------------------|-----------------------|------------------------|-----------------------|------------------------|
| | As Reported (GAAP) | Adjusted (non-GAAP) | As Reported (GAAP) | Adjusted (non-GAAP) |
| Revenue | \$21.6 billion | \$21.6 billion | \$21.7 billion | \$21.7 billion |
| Operating income | \$1.08 billion | \$1.21 billion | \$1.49 billion | \$1.59 billion |
| Operating margin | 5.0% | 5.6% | 6.8% | 7.3% |
| Net income | \$0.79 billion | \$0.89 billion | \$1.08 billion | \$1.16 billion |
| Diluted EPS | \$3.21 | \$3.60 | \$4.23 | \$4.55 |

This year's and last year's quarterly consolidated results have been adjusted for:

| <i>Impact per diluted share</i> | Fiscal 2025 | Fiscal 2024 |
|---------------------------------|-------------|-------------|
| Business optimization costs | \$0.39 | \$0.32 |

First quarter results were negatively affected by a mix shift, which reduced demand for priority services, increased demand for deferred services, and constrained yield growth. In addition, higher operating expenses and one fewer operating day negatively affected the quarter's results. A reduction of structural costs from the company's DRIVE program initiatives partially offset these factors.

"Despite a challenging quarter, we remain focused on transforming our network, improving our efficiency, lowering our cost-to-serve, and enhancing our ability to adapt with speed to evolving market dynamics," said Raj Subramaniam, FedEx Corp. president and chief executive officer. "Overall, I remain confident in the value-creation opportunities ahead as we focus on reducing our structural cost, growing revenue profitably, and leveraging the insights from our vast collection of data as we continue to build the world's most flexible, efficient and intelligent network."

On June 1, 2024, FedEx Ground and FedEx Services were successfully merged into Federal Express, becoming a single company operating a unified, fully integrated

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air-ground express network. FedEx Freight continues to provide less-than-truckload freight transportation services as a separate subsidiary. Federal Express and FedEx Freight now represent the company's major service lines and constitute its reportable segments. Additionally, the results of FedEx Custom Critical are now included in the FedEx Freight segment instead of the Federal Express segment. Prior year amounts were revised to reflect this presentation.

Federal Express operating results decreased during the quarter 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. These headwinds were partially offset by the reduction of structural costs from the company's DRIVE program initiatives.

FedEx Freight operating results decreased during the quarter due to a decline in weight per shipment, reduced priority shipments, and one fewer operating day, partially offset by higher base yield. FedEx Freight continues to execute its long-term strategy of streamlining its network, completing the closure of seven small-market facilities during the quarter.

Share Repurchase Program

The company completed a \$1 billion accelerated share repurchase (ASR) transaction during the quarter. Approximately 3.4 million shares were delivered under the ASR agreement, with the decrease in outstanding shares benefiting first quarter results by \$0.03 per diluted share.

FedEx expects to repurchase an additional \$1.5 billion of common stock during fiscal 2025, for a buyback total of \$2.5 billion. As of August 31, 2024, \$4.1 billion remained available for repurchases under the company's 2024 stock repurchase authorization.

Cash on-hand as of August 31, 2024 was \$5.9 billion.

Outlook

FedEx is unable to forecast the fiscal 2025 mark-to-market (MTM) retirement plans accounting adjustments. As a result, FedEx is unable to provide a fiscal 2025 earnings per share or effective tax rate (ETR) outlook on a GAAP basis and is relying on the exemption provided by the Securities and Exchange Commission (SEC). It is reasonably possible that the fiscal 2025 MTM retirement plans accounting adjustments could have a material effect on fiscal 2025 consolidated financial results and ETR.

FedEx is revising its fiscal 2025 revenue and earnings forecasts, and now expects:

- A low single-digit percentage revenue growth rate year over year, compared to the prior forecast of a low-to-mid single digit percentage increase;
- Earnings per diluted share of \$17.90 to \$18.90 before the MTM retirement plans accounting adjustments compared to the prior forecast of \$18.25 to \$20.25 per share; and \$20.00 to \$21.00 per share after also excluding costs related to business optimization initiatives, compared to the prior forecast of \$20.00 to \$22.00 per share;

FedEx is reaffirming its forecast of:

- Permanent cost reductions from the DRIVE transformation program of \$2.2 billion;
- ETR of approximately 24.5% prior to the MTM retirement plans accounting adjustments; and
- Capital spending of \$5.2 billion, with a priority on investments in network optimization and efficiency improvement, including fleet and facility modernization and automation.

These forecasts assume the company's current economic forecast and fuel price expectations, successful completion of the planned stock repurchases, and no additional adverse economic or geopolitical developments. FedEx's ETR and earnings per share forecasts are based on current law and related regulations and guidance.

"Our revised outlook reflects our continued confidence in the execution of our DRIVE initiatives and the effects of our recent pricing actions, which we expect to help offset weaker-than-expected demand trends," said John Dietrich, FedEx Corp. executive vice president and chief financial officer. "We will continue to manage our capital prudently, and remain committed to our plan to return \$3.8 billion to stockholders this fiscal year."

Corporate Overview

FedEx Corp. (NYSE: FDX) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenue of \$88 billion, the company offers integrated business solutions utilizing its flexible, efficient, and intelligent global network. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 500,000 employees to remain focused on safety, the highest ethical and professional standards and the needs of their customers and communities. FedEx is committed to connecting people and possibilities around the world responsibly and

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resourcefully, with a goal to achieve carbon-neutral operations by 2040. To learn more, please visit [fedex.com/about](https://www.fedex.com/about).

Additional information and operating data are contained in the company's annual report, Form 10-K, Form 10-Qs, Form 8-Ks and Statistical Books. These materials, as well as a webcast of the earnings release conference call to be held at 5:30 p.m. EDT on September 19, are available on the company's website at investors.fedex.com. A replay of the conference call webcast will be posted on our website following the call.

The Investor Relations page of our website, investors.fedex.com, contains a significant amount of information about FedEx, including our SEC filings and financial and other information for investors. The information that we post on our Investor Relations website could be deemed to be material information. We encourage investors, the media and others interested in the company to visit this website from time to time, as information is updated and new information is posted.

Certain statements in this press release 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, 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; 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

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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 SEC. 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.

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RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES TO GAAP FINANCIAL MEASURES

First Quarter Fiscal 2025 and Fiscal 2024 Results

The company reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP” or “reported”). We have supplemented the reporting of our financial information determined in accordance with GAAP with certain non-GAAP (or “adjusted”) financial measures, including our adjusted first quarter fiscal 2025 and 2024 consolidated operating income and margin, net income and diluted earnings per share and adjusted first quarter fiscal 2025 and 2024 Federal Express segment operating income and margin. These financial measures have been adjusted to exclude the effects of business optimization costs incurred in fiscal 2025 and 2024.

In fiscal 2023, FedEx announced DRIVE, a comprehensive program to improve the company’s long-term profitability. This program includes a business optimization plan to drive efficiency among our transportation segments, lower our overhead and support costs, and transform our digital capabilities. We incurred costs associated with our business optimization initiatives in the first quarter of fiscal 2025 and fiscal 2024. These costs were primarily related to professional services and severance.

Costs related to business optimization initiatives are excluded from our first quarter fiscal 2025 and 2024 consolidated and Federal Express segment non-GAAP financial measures because they are unrelated to our core operating performance and to assist investors with assessing trends in our underlying businesses.

We believe these adjusted financial measures facilitate analysis and comparisons of our ongoing business operations because they exclude items that may not be indicative of, or are unrelated to, the company’s and our business segments’ core operating performance, and may assist investors with comparisons to prior periods and assessing trends in our underlying businesses. These adjustments are consistent with how management views our businesses. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and evaluating the company’s and each business segment’s ongoing performance.

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. As required by SEC rules, the tables below present a reconciliation of our presented non-GAAP financial measures to the most directly comparable GAAP measures.

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Fiscal 2025 Earnings Per Share and Effective Tax Rate 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 have provided these non-GAAP financial measures for the same reasons that were outlined above for historical non-GAAP measures. Costs related to business optimization initiatives are excluded from our fiscal 2025 EPS forecast for the same reasons described above for historical non-GAAP measures.

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 “Fiscal 2025 Earnings Per Share Forecast” outlines the effects of the items that are excluded from our fiscal 2025 EPS forecast, other than the MTM retirement plans accounting adjustments.

First Quarter Fiscal 2025

FedEx Corporation

| <i>Dollars in millions, except EPS</i> | <u>Operating</u> | | <u>Income</u> | <u>Net</u> | <u>Diluted</u> |
|--|------------------|---------------|--------------------------|---------------------------|-------------------------------------|
| | <u>Income</u> | <u>Margin</u> | <u>Taxes¹</u> | <u>Income²</u> | <u>Earnings</u> <u>Per Share</u> |
| GAAP measure | \$1,080 | 5.0% | \$262 | \$794 | \$3.21 |
| Business optimization costs ³ | 128 | 0.6% | 30 | 98 | 0.39 |
| Non-GAAP measure | \$1,208 | 5.6% | \$292 | \$892 | \$3.60 |

Federal Express Segment

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

First Quarter Fiscal 2024

FedEx Corporation

| <i>Dollars in millions, except EPS</i> | <u>Operating</u> | | <u>Income</u> | <u>Net</u> | <u>Diluted</u> |
|--|------------------|---------------|--------------------------|---------------------------|-------------------------------------|
| | <u>Income</u> | <u>Margin</u> | <u>Taxes¹</u> | <u>Income²</u> | <u>Earnings</u> <u>Per Share</u> |
| GAAP measure | \$1,485 | 6.8% | \$345 | \$1,078 | \$4.23 |
| Business optimization costs ³ | 105 | 0.5% | 24 | 81 | 0.32 |
| Non-GAAP measure | \$1,590 | 7.3% | \$369 | \$1,159 | \$4.55 |

Federal Express Segment

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

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Fiscal 2025 Earnings Per Share Forecast

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

Notes:

- 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.

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FEDEX CORP. FINANCIAL HIGHLIGHTS

First Quarter Fiscal 2025
(In millions, except earnings per share)
(Unaudited)

| | Three Months Ended August 31, | | Percent Change |
|---|----------------------------------|-----------------|-------------------|
| | 2024 | 2023 | |
| Revenue: | | | |
| Federal Express segment | \$ 18,305 | \$ 18,426 | (1) |
| FedEx Freight segment | 2,329 | 2,385 | (2) |
| Other and eliminations ¹ | 945 | 870 | 9 |
| Total Revenue | 21,579 | 21,681 | — |
| Operating Expenses: | | | |
| Salaries and employee benefits | 7,785 | 7,785 | — |
| Purchased transportation | 5,275 | 5,036 | 5 |
| Rentals and landing fees | 1,161 | 1,151 | 1 |
| Depreciation and amortization | 1,078 | 1,071 | 1 |
| Fuel | 1,075 | 1,101 | (2) |
| Maintenance and repairs | 829 | 824 | 1 |
| Business optimization costs | 128 | 105 | 22 |
| Other | 3,168 | 3,123 | 1 |
| Total Operating Expenses | 20,499 | 20,196 | 2 |
| Operating income (loss): | | | |
| Federal Express segment | 953 | 1,306 | (27) |
| FedEx Freight segment | 439 | 482 | (9) |
| Corporate, other, and eliminations ¹ | (312) | (303) | 3 |
| Total Operating Income | 1,080 | 1,485 | (27) |
| Other (Expense) Income: | | | |
| Interest, net | (84) | (91) | (8) |
| Other retirement plans, net | 49 | 39 | 26 |
| Other, net | 11 | (10) | (210) |
| Total Other (Expense) Income | (24) | (62) | (61) |
| Income Before Income Taxes | 1,056 | 1,423 | (26) |
| Provision for Income Taxes | 262 | 345 | (24) |
| Net Income | \$ 794 | \$ 1,078 | (26) |
| Diluted Earnings Per Share | \$ 3.21 | \$ 4.23 | (24) |
| Weighted Average Common and Common Equivalent Shares | | | |
| | 247 | 254 | (3) |
| Capital Expenditures | \$ 767 | \$ 1,290 | (41) |

1 – Includes the FedEx Office, FedEx Logistics, and FedEx Dataworks operating segments.

FEDEX CORP. CONDENSED CONSOLIDATED BALANCE SHEETS

First Quarter Fiscal 2025
(In millions)

| | August 31, 2024 (Unaudited) | May 31, 2024 |
|---|--------------------------------|--------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 5,943 | \$ 6,501 |
| Receivables, less allowances | 10,312 | 10,087 |
| Spare parts, supplies, and fuel, less allowances | 611 | 614 |
| Prepaid expenses and other | 1,228 | 1,005 |
| Total current assets | 18,094 | 18,207 |
| Property and Equipment, at Cost | | |
| Less accumulated depreciation and amortization | 85,158 | 84,391 |
| Net property and equipment | 41,255 | 41,491 |
| Other Long-Term Assets | | |
| Operating lease right-of-use assets, net | 17,094 | 17,115 |
| Goodwill | 6,512 | 6,423 |
| Other assets | 3,756 | 3,771 |
| Total other long-term assets | 27,362 | 27,309 |
| | \$ 86,711 | \$ 87,007 |
| LIABILITIES AND COMMON STOCKHOLDERS' INVESTMENT | | |
| Current Liabilities | | |
| Current portion of long-term debt | \$ 622 | \$ 68 |
| Accrued salaries and employee benefits | 2,336 | 2,673 |
| Accounts payable | 3,738 | 3,189 |
| Operating lease liabilities | 2,510 | 2,463 |
| Accrued expenses | 4,905 | 4,962 |
| Total current liabilities | 14,111 | 13,355 |
| Long-Term Debt, Less Current Portion | | |
| | 19,664 | 20,135 |
| Other Long-Term Liabilities | | |
| Deferred income taxes | 4,485 | 4,482 |
| Pension, postretirement healthcare, and other benefit obligations | 1,780 | 2,010 |
| Self-insurance accruals | 3,833 | 3,701 |
| Operating lease liabilities | 14,969 | 15,053 |
| Other liabilities | 693 | 689 |
| Total other long-term liabilities | 25,760 | 25,935 |
| Commitments and Contingencies | | |
| Common Stockholders' Investment | | |
| Common stock, \$0.10 par value, 800 million shares authorized | 32 | 32 |
| Additional paid-in capital | 4,134 | 3,988 |
| Retained earnings | 38,767 | 38,649 |
| Accumulated other comprehensive loss | (1,332) | (1,359) |
| Treasury stock, at cost | (14,425) | (13,728) |
| Total common stockholders' investment | 27,176 | 27,582 |
| | \$ 86,711 | \$ 87,007 |

FEDEX CORP. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

First Quarter Fiscal 2025

(In millions)

(Unaudited)

| | Three Months Ended August 31, | |
|---|----------------------------------|----------------|
| | 2024 | 2023 |
| Operating Activities: | | |
| Net income | \$ 794 | \$ 1,078 |
| Adjustments to reconcile net income to cash provided by operating activities: | | |
| Depreciation and amortization | 1,078 | 1,071 |
| Other, net | 925 | 814 |
| Changes in operating assets and liabilities, net | (1,610) | (733) |
| Cash provided by operating activities | 1,187 | 2,230 |
| Investing Activities: | | |
| Capital expenditures | (767) | (1,290) |
| Purchase of investments | (61) | (2) |
| Proceeds from sale of investments | 13 | — |
| Proceeds from asset dispositions and other | 13 | 12 |
| Cash used in investing activities | (802) | (1,280) |
| Financing Activities: | | |
| Principal payments on debt | (34) | (66) |
| Proceeds from stock issuances | 404 | 157 |
| Dividends paid | (339) | (318) |
| Purchase of treasury stock | (1,000) | (500) |
| Cash used in financing activities | (969) | (727) |
| Effect of exchange rate changes on cash | 26 | (24) |
| Net (decrease) increase in cash and cash equivalents | (558) | 199 |
| Cash and cash equivalents at beginning of period | 6,501 | 6,856 |
| Cash and cash equivalents at end of period | \$ 5,943 | \$ 7,055 |

FEDERAL EXPRESS SEGMENT FINANCIAL HIGHLIGHTS

First Quarter Fiscal 2025

(Dollars in millions)

(Unaudited)

| | Three Months Ended August 31, | | Percent Change |
|--|----------------------------------|----------|-------------------|
| | 2024 | 2023 | |
| Revenue: | | | |
| Package: | | | |
| U.S. priority | \$ 2,591 | \$ 2,673 | (3) |
| U.S. deferred | 1,151 | 1,187 | (3) |
| U.S. ground | 8,056 | 8,133 | (1) |
| Total U.S. domestic package revenue | 11,798 | 11,993 | (2) |
| International priority | 2,206 | 2,327 | (5) |
| International economy | 1,360 | 1,117 | 22 |
| Total international export package revenue | 3,566 | 3,444 | 4 |
| International domestic ⁽¹⁾ | 1,112 | 1,140 | (2) |
| Total package revenue | 16,476 | 16,577 | (1) |
| Freight: | | | |
| U.S. | 569 | 577 | (1) |
| International priority | 526 | 553 | (5) |
| International economy | 463 | 472 | (2) |
| Total freight revenue | 1,558 | 1,602 | (3) |
| Other | 271 | 247 | 10 |
| Total revenue | 18,305 | 18,426 | (1) |
| Operating expenses: | | | |
| Salaries and employee benefits | 6,201 | 6,171 | — |
| Purchased transportation | 4,801 | 4,677 | 3 |
| Rentals and landing fees | 986 | 975 | 1 |
| Depreciation and amortization | 935 | 929 | 1 |
| Fuel | 954 | 961 | (1) |
| Maintenance and repairs | 719 | 722 | — |
| Business optimization costs | 43 | 27 | 59 |
| Intercompany allocations | (187) | (175) | 7 |
| Other | 2,900 | 2,833 | 2 |
| Total operating expenses | 17,352 | 17,120 | 1 |
| Operating income | \$ 953 | \$ 1,306 | (27) |
| Operating margin | 5.2% | 7.1% | (190) bp |

1 – International Domestic revenue relates to international intra-country operations.

FEDERAL EXPRESS SEGMENT OPERATING HIGHLIGHTS

First Quarter Fiscal 2025
(Unaudited)

| | Three Months Ended August 31, | | Percent Change |
|---|----------------------------------|------------------------|-------------------|
| | 2024 | 2023 | |
| PACKAGE STATISTICS | | | |
| Average daily package volume (ADV) ⁽¹⁾ : | | | |
| U.S. priority | 1,600 | 1,680 | (5) |
| U.S. deferred | 968 | 970 | — |
| U.S. ground commercial | 4,289 | 4,287 | — |
| U.S. ground home delivery/economy | 6,438 | 6,411 | — |
| Total U.S. domestic ADV | <u>13,295</u> | <u>13,348</u> | — |
| International priority | 622 | 658 | (5) |
| International economy | 491 | 365 | 35 |
| Total international export ADV | <u>1,113</u> | <u>1,023</u> | 9 |
| International domestic ⁽²⁾ | <u>1,823</u> | <u>1,896</u> | (4) |
| Total ADV | <u><u>16,231</u></u> | <u><u>16,267</u></u> | — |
| Revenue per package (yield): | | | |
| U.S. priority | \$ 25.30 | \$ 24.49 | 3 |
| U.S. deferred | 18.59 | 18.81 | (1) |
| U.S. ground | 11.73 | 11.70 | — |
| U.S. domestic composite | <u>13.87</u> | <u>13.82</u> | — |
| International priority | 55.37 | 54.37 | 2 |
| International economy | 43.33 | 47.15 | (8) |
| International export composite | <u>50.06</u> | <u>51.80</u> | (3) |
| International domestic ⁽²⁾ | <u>9.53</u> | <u>9.25</u> | 3 |
| Composite package yield | <u><u>\$ 15.86</u></u> | <u><u>\$ 15.68</u></u> | 1 |
| FREIGHT STATISTICS | | | |
| Average daily freight pounds (000s): | | | |
| U.S. | 5,319 | 5,305 | — |
| International priority | 4,465 | 4,390 | 2 |
| International economy | 10,706 | 11,001 | (3) |
| Total average daily freight pounds | <u>20,490</u> | <u>20,696</u> | (1) |
| Revenue per pound (yield): | | | |
| U.S. | \$ 1.67 | \$ 1.67 | — |
| International priority | 1.84 | 1.94 | (5) |
| International economy | 0.68 | 0.66 | 3 |
| Composite freight yield | <u>\$ 1.19</u> | <u>\$ 1.19</u> | — |
| Operating weekdays | 64 | 65 | (2) |

1 – ADV is calculated on a 5-day-per-week basis.

2 – International Domestic statistics relate to international intra-country operations.

FEDEX FREIGHT SEGMENT FINANCIAL AND OPERATING HIGHLIGHTS

First Quarter Fiscal 2025

(Dollars in millions)

(Unaudited)

| | Three Months Ended August 31, | | Percent Change |
|-------------------------------------|----------------------------------|---------------|-------------------|
| | 2024 | 2023 | |
| <u>FINANCIAL HIGHLIGHTS</u> | | | |
| Revenue | \$ 2,329 | \$ 2,385 | (2) |
| Operating expenses: | | | |
| Salaries and employee benefits | 984 | 985 | — |
| Purchased transportation | 203 | 219 | (7) |
| Rentals | 71 | 69 | 3 |
| Depreciation and amortization | 110 | 108 | 2 |
| Fuel | 121 | 139 | (13) |
| Maintenance and repairs | 82 | 75 | 9 |
| Intercompany charges | 148 | 139 | 6 |
| Other | 171 | 169 | 1 |
| Total operating expenses | <u>1,890</u> | <u>1,903</u> | (1) |
| Operating income | <u>\$ 439</u> | <u>\$ 482</u> | (9) |
| Operating margin | 18.8% | 20.2% | (140) bp |
| <u>OPERATING STATISTICS</u> | | | |
| Operating weekdays | 64 | 65 | (2) |
| Average daily shipments (000s): | | | |
| Priority | 62.9 | 66.1 | (5) |
| Economy | 29.1 | 28.5 | 2 |
| Total average daily shipments | <u>92.0</u> | <u>94.6</u> | (3) |
| Weight per shipment (lbs): | | | |
| Priority | 956 | 989 | (3) |
| Economy | 868 | 876 | (1) |
| Composite weight per shipment | 928 | 955 | (3) |
| Revenue per shipment: | | | |
| Priority | \$ 363.97 | \$ 353.01 | 3 |
| Economy | 408.60 | 407.99 | — |
| Composite revenue per shipment | \$ 378.09 | \$ 369.56 | 2 |
| Revenue per hundredweight: | | | |
| Priority | \$ 38.06 | \$ 35.71 | 7 |
| Economy | 47.09 | 46.59 | 1 |
| Composite revenue per hundredweight | \$ 40.73 | \$ 38.71 | 5 |