



FedEx to Separate FedEx Freight into Standalone Public Company



Forward-Looking Statements

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 benefits and synergies to be realized by FedEx and FedEx Freight in the planned tax-free full separation of the FedEx Freight business into a new publicly traded company, the timing of the proposed separation, 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, our ability to successfully execute the separation transaction; our ability to obtain any consents or approvals required to complete the separation; potential uncertainty during the pendency of the separation transaction that could affect FedEx's financial performance; the possibility that the separation transaction will not be completed within the anticipated time period or at all; the possibility that the separation transaction will not result in the intended benefits; the possibility of disruption, including changes to existing business relationships, disputes, litigation, or unanticipated costs in connection with the separation transaction; uncertainty of the expected financial performance of FedEx or FedEx Freight following completion of the transaction; negative effects of the announcement or pendency of the transactions on the market price of FedEx's securities and/or on the financial performance of FedEx; evolving legal, regulatory, and tax regimes; changes in the economic conditions in the global markets in which we operate; actions by third parties, including government agencies; our ability to successfully implement our business strategy and global transformation program and optimize our network through Network 2.0; our ability to achieve our cost-reduction initiatives and financial performance goals; 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 Board has concluded that best path forward is to pursue a full separation of FedEx and FedEx Freight

- 1 Separation unlocks significant value by creating two industry-leading public companies
- 2 Will continue to enable commercial, operational, and technological cooperation
- 3 FedEx and FedEx Freight will benefit from enhanced focus and competitiveness
- 4 Both companies will be well capitalized, with flexibility to invest in profitable growth while continuing to return capital to stockholders

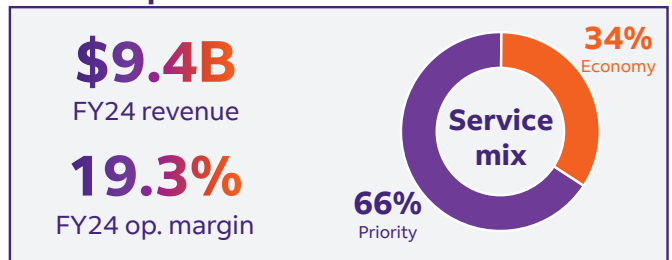
FedEx Freight: Creating a stand-alone leader in the LTL market

Competitive advantages

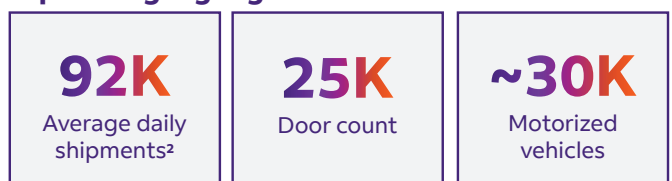
- ✓ Largest LTL pure-play by market share, shipments, and door count
- ✓ Significant barriers to entry
- ✓ Superior speed and coverage across largest nationwide network
- ✓ Only LTL provider with both Priority and Economy services as standard offerings
- ✓ Exceptional financial profile with strong cash flow

Business overview

Financial profile¹



Operating highlights



1. Based on Fiscal 2024 revenue for FedEx Freight segment (recast)
2. Average daily shipments for Q2 YTD Fiscal 2025

FedEx Freight: Significant operational value creation opportunities with long-term industry tailwinds

Strengthening leading customer value proposition



Expanding our dedicated LTL salesforce, driving enhanced customer service offering



Enhanced LTL-specific pricing and invoicing system enabling faster speed-to-market, intuitive contracts, and market-specific capabilities



Continued collaboration opportunities between FedEx Freight and FedEx to drive network efficiencies



LTL-focused automation enabling greater accuracy and reduced vendor spend

LTL market dynamics

Increasing industry consolidation

- ✓ Top 5 carriers own 50% of share
- ✓ Structural yield stabilization

Shifting competitive dynamics

- ✓ Reduced industry capacity
- ✓ Increased price discipline
- ✓ More focus on service levels

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Maintaining customer, operational, and technology cooperation



Commercial and Technology agreements

- Commercial agreements will create seamless experience for customers
- Shared data and technology agreements will enable continuity of service



Operational capabilities

- FedEx Freight to continue providing linehaul for FedEx, including Tricolor, Peak season, and drayage support
- Requires minimal changes, with FedEx Freight already receiving direct financial benefit via intercompany agreements

FedEx Freight planning to retain its name, leveraging the company's strong reputation and familiarity

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FedEx: A market leader with unmatched global network

Competitive advantages

Global leader, providing rapid, reliable, definite delivery to more than 220 countries and territories

Deliver ~17M packages each business day

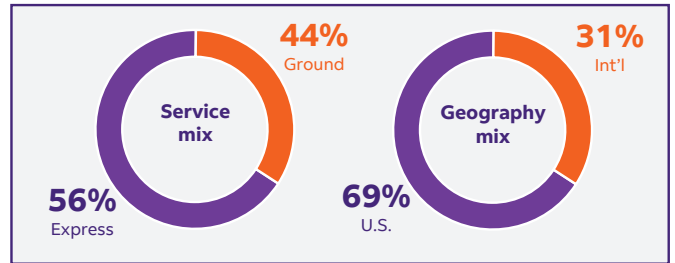
Connect more than 99% of the world's GDP

Transport approximately \$2T worth of goods every year by connecting 3M shippers to 225M consumers

Generate over 1 petabyte of data daily creating significant data-driven insights

Separation impact on FedEx

FedEx portfolio post-separation¹



Financial impact from separation

- Build on strong track record of profitable growth
- Maintain investment grade rating and strong balance sheet
- Strategically reinvest in market-leading positions while reducing capital intensity and increasing capital returns

1. Based on Fiscal 2024 revenue for Federal Express segment (recast)

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FedEx: Advancing our transformation

Separation represents another step in our transformation to create the most flexible, efficient, and intelligent network



Amplify transformation

- **DRIVE** enabling \$4B in structural cost savings by end of FY25
- **Network 2.0** optimization and efficiency; target \$2B in cost savings by end of FY27
- **Tricolor** global air network redesign



Strengthen leading value proposition

- Deliver outstanding service
- Differentiation in premium segments
- Increased focus on higher-yielding services
- Building technology ecosystem





Optimize capital allocation decisions


- Maintain strong balance sheet and investment-grade profile
- Target high ROIC investments and reduce capital intensity
- Greater flexibility around stockholder return program


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Next steps

-  Tax-free separation expected to be executed within 18 months

-  Separation Management Office preparing each company for transition

-  Expect to share key separation milestones along the way

-  Maintaining business-as-usual standard to ensure we continue to deliver the highest quality service to our customers