

FedEx Corporation

Q2 Fiscal 2023 Statistics

Financial and Operating
Statistics

December 20, 2022



FedEx®

This report is a statistical supplement to FedEx's interim financial reports and is prepared quarterly. Additional copies are available for downloading and printing at investors.fedex.com. For more information, write or call:

*Mickey Foster, Vice President
Stephen Hughes, Director
Matthew DeBerry, Advisor
FedEx Corp. Investor Relations
942 S. Shady Grove Road
Memphis, TN 38120
Telephone: (901) 818-7200*

TABLE OF CONTENTS

• FEDEX CORPORATION

| | |
|-------------------------------------------------|---|
| OVERVIEW | 1 |
| CONDENSED CONSOLIDATED BALANCE SHEETS | 2 |
| CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS | 3 |
| ANNUAL CONSOLIDATED STATEMENTS OF INCOME | 4 |
| QUARTERLY CONSOLIDATED STATEMENTS OF INCOME | |
| FY2020 – FY2021 | 5 |
| FY2022 – FY2023 | 6 |
| CAPITAL EXPENDITURES | 7 |

• FEDEX EXPRESS SEGMENT

| | |
|---------------------------------------------|----|
| ANNUAL CONSOLIDATED STATEMENTS OF INCOME | 8 |
| QUARTERLY CONSOLIDATED STATEMENTS OF INCOME | |
| FY2020 – FY2021 | 9 |
| FY2022 – FY2023 | 10 |
| ANNUAL OPERATING STATISTICS | 11 |
| QUARTERLY OPERATING STATISTICS | |
| FY2020 – FY2021 | 12 |
| FY2022 – FY2023 | 13 |
| JET FUEL STATISTICS | 14 |
| AIRCRAFT AND VEHICLE FLEET STATISTICS | 15 |

• FEDEX GROUND SEGMENT

| | |
|---------------------------------------------|----|
| ANNUAL CONSOLIDATED STATEMENTS OF INCOME | 16 |
| QUARTERLY CONSOLIDATED STATEMENTS OF INCOME | |
| FY2020 – FY2021 | 17 |
| FY2022 – FY2023 | 18 |
| ANNUAL OPERATING STATISTICS | 19 |
| QUARTERLY OPERATING STATISTICS | |
| FY2020 – FY2023 | 20 |

• FEDEX FREIGHT SEGMENT

| | |
|---------------------------------------------|----|
| ANNUAL CONSOLIDATED STATEMENTS OF INCOME | 21 |
| QUARTERLY CONSOLIDATED STATEMENTS OF INCOME | |
| FY2020 – FY2021 | 22 |
| FY2022 – FY2023 | 23 |
| ANNUAL OPERATING STATISTICS | 24 |
| QUARTERLY OPERATING STATISTICS | |
| FY2020 – FY2021 | 25 |
| FY2022 – FY2023 | 26 |

Only footnotes pertaining to the current year are displayed at the bottom of pages in the statistical book. For supplemental information related to FY20 – FY22, please refer to the informational notes appendix.

FEDEX CORPORATION OVERVIEW

FedEx Corporation provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce, and business services. With annual revenue of \$94 billion, the company offers integrated business solutions through operating companies competing collectively, operating collaboratively, and innovating digitally under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 550,000 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 resourcefully, with a goal to achieve carbon-neutral operations by 2040.

FedEx Express invented express transportation and remains the industry's global leader, providing rapid, reliable, time-definite delivery to more than 220 countries and territories, connecting markets that comprise more than 99 percent of the world's gross domestic product. Unmatched air route authorities and transportation infrastructure, combined with leading-edge information technologies, make FedEx Express the world's largest express transportation company. The FedEx Express business segment financial results include FedEx Custom Critical.

FedEx Ground provides low-cost, day-certain service to any business address in the U.S. and Canada, as well as residential delivery to 100% of U.S. residences through its FedEx Home Delivery® Service. FedEx Ground Economy, a FedEx Ground service, specializes in the consolidation and delivery of high volumes of low-weight, less time-sensitive business-to-consumer packages.

FedEx Freight is a leading North American provider of less-than-truckload (LTL) freight services across all lengths of haul to businesses and residences. Within the contiguous U.S., the company offers: FedEx Freight Priority, when speed is critical to meet a customer's supply chain needs; FedEx Freight Economy, when a customer can trade time for cost savings; and FedEx Freight Direct, a service to meet the needs of the growing e-commerce market for delivery of heavy, bulky products to or through the door for residences and businesses. FedEx Freight also offers freight delivery service to most points in Puerto Rico and the U.S. Virgin Islands.

FedEx Services provides sales, marketing, information technology, communications, customer service, technical support, billing and collection services, and certain back-office functions that support our transportation segments.

Corporate, Other, and Eliminations includes corporate headquarters costs for executive officers and certain legal and finance functions, including certain other costs and credits not attributed to our core business, as well as certain costs associated with developing our "innovate digitally" strategic pillar through our FedEx Dataworks operating segment. FedEx Dataworks is focused on creating solutions to transform the digital and physical experiences of our customers and team members. Also included in Corporate and other are the FedEx Office operating segment, which provides an array of document and business services and retail access to our customers for our package transportation businesses, and the FedEx Logistics operating segment, which provides integrated supply chain management solutions, specialty transportation, customs brokerage, and global ocean and air freight forwarding.

| | |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CORPORATE HEADQUARTERS: | 942 S. Shady Grove Road Memphis, TN 38120 |
| COMMON STOCK LISTING: | The New York Stock Exchange |
| STOCK SYMBOL: | FDX |
| COMMON SHARES AUTHORIZED: | 800,000,000 |
| COMMON SHARES OUTSTANDING: | 252,389,093 (as of November 30, 2022) |
| STOCKHOLDERS OF RECORD: | 11,511 (as of November 30, 2022) |
| TRANSFER AGENT & REGISTRAR: | Computershare (800) 446-2617 (for overnight delivery) (for regular mail delivery) 150 Royall St., Suite 101 P.O. Box 43006 Canton, MA 02021 Providence, RI 02940-3078 |
| FISCAL YEAR END: | May 31 |

FedEx Corporation

Condensed Consolidated Balance Sheets

FY 2020 – FY 2023

May 31
In millions (except share data)

| | FY 2020 | FY 2021 | FY 2022 | Nov. 30, 2022 |
|-------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| <u>ASSETS</u> | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 4,881 | \$ 7,087 | \$ 6,897 | \$ 4,646 |
| Receivables, less allowances | 10,102 | 12,069 | 11,863 | 11,644 |
| Spare parts, supplies, and fuel, less allowances | 572 | 587 | 637 | 655 |
| Prepaid expenses and other | 828 | 837 | 968 | 1,272 |
| Total current assets | <u>16,383</u> | <u>20,580</u> | <u>20,365</u> | <u>18,217</u> |
| Property and Equipment, at Cost | | | | |
| Aircraft and related equipment | 24,518 | 26,268 | 27,874 | |
| Package handling and ground support equipment | 11,382 | 13,012 | 14,930 | |
| Information technology | 6,884 | 7,486 | 8,098 | |
| Vehicles and trailers | 9,101 | 9,282 | 9,806 | |
| Facilities and other | 13,139 | 14,029 | 14,567 | |
| | <u>65,024</u> | <u>70,077</u> | <u>75,275</u> | <u>78,532</u> |
| Less accumulated depreciation and amortization | <u>31,416</u> | <u>34,325</u> | <u>37,184</u> | <u>38,811</u> |
| Net property and equipment | <u>33,608</u> | <u>35,752</u> | <u>38,091</u> | <u>39,721</u> |
| Other Long-Term Assets | | | | |
| Operating lease right-of-use-assets, net | 13,917 | 15,383 | 16,613 | 17,373 |
| Goodwill | 6,372 | 6,992 | 6,544 | 6,377 |
| Other assets | 3,257 | 4,070 | 4,381 | 3,903 |
| Total other long-term assets | <u>23,546</u> | <u>26,445</u> | <u>27,538</u> | <u>27,653</u> |
| | <u>\$ 73,537</u> | <u>\$ 82,777</u> | <u>\$ 85,994</u> | <u>\$ 85,591</u> |
| <u>LIABILITIES AND COMMON STOCKHOLDERS' INVESTMENT</u> | | | | |
| Current Liabilities | | | | |
| Current portion of long-term debt | \$ 51 | \$ 146 | \$ 82 | \$ 172 |
| Accrued salaries and employee benefits | 1,569 | 2,903 | 2,531 | 2,420 |
| Accounts payable | 3,269 | 3,841 | 4,030 | 3,989 |
| Operating lease liabilities | 1,923 | 2,208 | 2,443 | 2,498 |
| Accrued expenses | 3,532 | 4,562 | 5,188 | 4,960 |
| Total current liabilities | <u>10,344</u> | <u>13,660</u> | <u>14,274</u> | <u>14,039</u> |
| Long-Term Debt, Less Current Portion | | | | |
| | <u>21,952</u> | <u>20,733</u> | <u>20,182</u> | <u>20,076</u> |
| Other Long-Term Liabilities | | | | |
| Deferred income taxes | 3,162 | 3,927 | 4,093 | 4,188 |
| Pension, postretirement healthcare, and other benefit obligations | 5,019 | 3,501 | 4,448 | 4,115 |
| Self-insurance accruals | 2,104 | 2,430 | 2,889 | 3,106 |
| Operating lease liabilities | 12,195 | 13,375 | 14,487 | 15,290 |
| Other liabilities | 466 | 983 | 682 | 662 |
| Total other long-term liabilities | <u>22,946</u> | <u>24,216</u> | <u>26,599</u> | <u>27,361</u> |
| Commitments and Contingencies | | | | |
| Common Stockholders' Investment | | | | |
| Common stock \$0.10 par value; 800 million shares auth. | 32 | 32 | 32 | 32 |
| Additional paid-in capital | 3,356 | 3,481 | 3,712 | 3,487 |
| Retained earnings | 25,216 | 29,817 | 32,782 | 33,557 |
| Accumulated other comprehensive (loss) income | (1,147) | (732) | (1,103) | (1,385) |
| Treasury stock, at cost | (9,162) | (8,430) | (10,484) | (11,576) |
| Total common stockholders' investment | <u>18,295</u> | <u>24,168</u> | <u>24,939</u> | <u>24,115</u> |
| | <u>\$ 73,537</u> | <u>\$ 82,777</u> | <u>\$ 85,994</u> | <u>\$ 85,591</u> |

Unaudited. Differences may result due to rounding.

FedEx Corporation

Condensed Consolidated Statements of Cash Flows

FY 2020 – FY 2023

Years ended May 31

In millions

| | FY 2020 | FY 2021 | FY 2022 | Q2 YTD FY 2023 |
|-----------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-------------------|
| OPERATING ACTIVITIES | | | | |
| Net income | \$ 1,286 | \$ 5,231 | \$ 3,826 | \$ 1,663 |
| Adjustments to reconcile net income to cash provided by operating activities: | | | | |
| Depreciation and amortization | 3,615 | 3,793 | 3,970 | 2,070 |
| Provision for uncollectible accounts | 442 | 577 | 403 | 425 |
| Stock-based compensation | 168 | 200 | 190 | 108 |
| Retirement plans mark-to-market adjustments | 794 | (1,176) | 1,578 | — |
| Other noncash items including leases and deferred income tax | 2,449 | 2,887 | 2,931 | 1,589 |
| Loss on extinguishment of debt | — | 393 | — | — |
| Business realignment and optimization costs/(payments), net | — | 102 | 53 | (40) |
| Goodwill and other asset impairment charges | 435 | — | — | — |
| Changes in operating assets and liabilities, net of the effects of businesses acquired: | | | | |
| Receivables | (1,331) | (1,389) | (310) | (512) |
| Other current assets | (59) | (40) | (158) | (214) |
| Pension and postretirement assets and liabilities, net | (908) | (317) | (697) | — |
| Accounts payable and other operating liabilities | (1,787) | 71 | (1,861) | (1,994) |
| Other, net | (7) | (197) | (93) | 30 |
| Cash provided by operating activities | 5,097 | 10,135 | 9,832 | 3,125 |
| INVESTING ACTIVITIES | | | | |
| Capital expenditures | (5,868) | (5,884) | (6,763) | (3,142) |
| Business acquisitions, net of cash acquired | — | (228) | — | — |
| Purchase of investments | — | — | (147) | (78) |
| Proceeds from asset dispositions and other | 22 | 102 | 94 | 20 |
| Cash used in investing activities | (5,846) | (6,010) | (6,816) | (3,200) |
| FINANCING ACTIVITIES | | | | |
| Payments on debt | (2,548) | (6,318) | (161) | (32) |
| Proceeds from debt issuances | 6,556 | 4,212 | — | — |
| Proceeds from stock issuances | 64 | 740 | 184 | 89 |
| Dividends paid | (679) | (686) | (793) | (598) |
| Purchase of treasury stock | (3) | — | (2,248) | (1,500) |
| Other, net | (9) | (38) | (1) | 1 |
| Cash provided by (used in) financing activities | 3,381 | (2,090) | (3,019) | (2,040) |
| Effect of exchange rate changes on cash | (70) | 171 | (187) | (136) |
| CASH AND CASH EQUIVALENTS | | | | |
| Net (decrease) increase in cash and cash equivalents | 2,562 | 2,206 | (190) | (2,251) |
| Cash and cash equivalents at beginning of period | 2,319 | 4,881 | 7,087 | 6,897 |
| Cash and cash equivalents at end of period | <u>\$ 4,881</u> | <u>\$ 7,087</u> | <u>\$ 6,897</u> | <u>\$ 4,646</u> |

Unaudited. Differences may result due to rounding.

FedEx Corporation

Annual Consolidated Statements of Income

FY 2020 – FY 2023

Years ended May 31
In millions, except EPS

| | FY 2020 | FY 2021 | FY 2022 | Q2 YTD FY 2023 |
|----------------------------------------------------------|-----------------|-----------------|-----------------|-------------------|
| Revenue: | | | | |
| FedEx Express segment | \$ 35,513 | \$ 42,078 | \$ 45,814 | \$ 21,991 |
| FedEx Ground segment | 22,733 | 30,496 | 33,232 | 16,553 |
| FedEx Freight segment | 7,102 | 7,833 | 9,532 | 5,177 |
| FedEx Services segment | 22 | 32 | 253 | 138 |
| Other and eliminations | 3,847 | 3,520 | 4,681 | 2,197 |
| Total Revenue | 69,217 | 83,959 | 93,512 | 46,056 |
| Operating Expenses: | | | | |
| Salaries and employee benefits | 25,031 | 30,173 | 32,058 | 15,651 |
| Purchased transportation | 17,466 | 21,674 | 24,118 | 11,432 |
| Rentals and landing fees | 3,712 | 4,155 | 4,712 | 2,354 |
| Depreciation and amortization | 3,615 | 3,793 | 3,970 | 2,070 |
| Fuel | 3,156 | 2,882 | 5,115 | 3,415 |
| Maintenance and repairs | 2,893 | 3,328 | 3,372 | 1,786 |
| Business realignment and optimization costs ¹ | — | 116 | 278 | 74 |
| Goodwill and other asset impairment charges | 435 | — | — | — |
| Other | 10,492 | 11,981 | 13,644 | 6,907 |
| Total Operating Expenses | 66,800 | 78,102 | 87,267 | 43,689 |
| Operating Income: | | | | |
| FedEx Express segment | 996 | 2,810 | 2,922 | 515 |
| FedEx Ground segment | 2,014 | 3,193 | 2,642 | 1,292 |
| FedEx Freight segment | 580 | 1,005 | 1,663 | 1,091 |
| Corporate, other, and eliminations | (1,173) | (1,151) | (982) | (531) |
| Total Operating Income | 2,417 | 5,857 | 6,245 | 2,367 |
| Other (Expense) Income: | | | | |
| Interest, net | (617) | (741) | (636) | (269) |
| Other retirement plans income (expense) | (122) | 1,983 | (726) | 202 |
| Loss on debt extinguishment | — | (393) | — | — |
| Other, net | (9) | (32) | 13 | (87) |
| Total Other Income (Expense) | (748) | 817 | (1,349) | (154) |
| Income Before Income Taxes | 1,669 | 6,674 | 4,896 | 2,213 |
| Provision for Income Taxes (Benefit) | 383 | 1,443 | 1,070 | 550 |
| Net Income | \$ 1,286 | \$ 5,231 | \$ 3,826 | \$ 1,663 |
| Basic Earnings Per Share | \$ 4.92 | \$ 19.79 | \$ 14.54 | \$ 6.46 |
| Weighted Avg. Common Shares | 261 | 264 | 263 | 257 |
| Diluted Earnings Per Share | \$ 4.90 | \$ 19.45 | \$ 14.33 | \$ 6.41 |
| Weighted Avg. Diluted Shares | 262 | 268 | 266 | 259 |
| SELECTED STATISTICS | | | | |
| Operating Margin | 3.5% | 7.0% | 6.7% | 5.1% |
| Pre-tax Margin | 2.4% | 7.9% | 5.2% | 4.8% |
| Return on Assets | 2.0% | 6.7% | 4.5% | 3.9% |
| Return on Equity | 7.1% | 24.6% | 15.6% | 13.6% |
| Dividends Paid Per Common Share | \$ 2.60 | \$ 2.60 | \$ 3.00 | \$ 2.30 |

1 - FY23 includes business realignment costs of \$14 million (\$11 million, net of tax, or \$0.04 per diluted share) associated with our workforce reduction plan in Europe previously announced in 2021, as well as \$60 million (\$46 million, net of tax, or \$0.18 per diluted share) associated with our business optimization strategy announced in 2023.

Unaudited. Differences may result due to rounding.

FedEx Corporation

Quarterly Consolidated Statements of Income

FY 2020 – FY 2021

Years ended May 31
In millions, except EPS

| | FY 2020 | | | | FY 2021 | | | |
|---------------------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| Revenue: | | | | | | | | |
| FedEx Express segment | \$ 8,945 | \$ 9,084 | \$ 8,924 | \$ 8,560 | \$ 9,647 | \$ 10,368 | \$ 10,788 | \$ 11,275 |
| FedEx Ground segment | 5,179 | 5,315 | 5,845 | 6,394 | 7,040 | 7,344 | 7,980 | 8,132 |
| FedEx Freight segment | 1,905 | 1,844 | 1,738 | 1,615 | 1,826 | 1,936 | 1,836 | 2,235 |
| FedEx Services segment | 4 | 5 | 6 | 7 | 8 | 8 | 8 | 8 |
| Other and eliminations | 1,015 | 1,076 | 974 | 782 | 800 | 907 | 898 | 915 |
| Total Revenue | 17,048 | 17,324 | 17,487 | 17,358 | 19,321 | 20,563 | 21,510 | 22,565 |
| Operating Expenses: | | | | | | | | |
| Salaries and employee benefits | 6,087 | 6,235 | 6,382 | 6,327 | 6,852 | 7,443 | 8,010 | 7,868 |
| Purchased transportation | 4,028 | 4,328 | 4,558 | 4,552 | 4,977 | 5,407 | 5,660 | 5,630 |
| Rentals and landing fees | 920 | 924 | 964 | 904 | 936 | 1,006 | 1,131 | 1,082 |
| Depreciation and amortization | 879 | 901 | 908 | 927 | 926 | 936 | 956 | 975 |
| Fuel | 870 | 890 | 879 | 517 | 565 | 625 | 756 | 936 |
| Maintenance and repairs | 768 | 774 | 684 | 667 | 806 | 815 | 822 | 885 |
| Business realignment costs | — | — | — | — | — | — | 10 | 106 |
| Goodwill and other asset impairment charges | — | 66 | — | 369 | — | — | — | — |
| Other | 2,519 | 2,652 | 2,701 | 2,620 | 2,669 | 2,866 | 3,160 | 3,286 |
| Total Operating Expenses | 16,071 | 16,770 | 17,076 | 16,883 | 17,731 | 19,098 | 20,505 | 20,768 |
| Operating Income (Loss): | | | | | | | | |
| FedEx Express segment | 285 | 236 | 137 | 338 | 710 | 900 | 463 | 737 |
| FedEx Ground segment | 644 | 342 | 355 | 673 | 834 | 552 | 702 | 1,105 |
| FedEx Freight segment | 194 | 141 | 113 | 132 | 274 | 252 | 119 | 360 |
| Corporate, other, and eliminations | (146) | (165) | (194) | (668) | (228) | (239) | (279) | (405) |
| Total Operating Income (Loss) | 977 | 554 | 411 | 475 | 1,590 | 1,465 | 1,005 | 1,797 |
| Other Income (Expense): | | | | | | | | |
| Interest, net | (137) | (151) | (155) | (174) | (184) | (184) | (187) | (186) |
| Other retirement plans income | 168 | 168 | 168 | (626) | 201 | 150 | 202 | 1,430 |
| Loss on debt extinguishment | — | — | — | — | — | — | — | (393) |
| Other, net | (12) | 1 | (4) | 6 | (1) | (25) | 29 | (35) |
| Total Other Income (Expense) | 19 | 18 | 9 | (794) | 16 | (59) | 44 | 816 |
| Income (Loss) Before Income Taxes | 996 | 572 | 420 | (319) | 1,606 | 1,406 | 1,049 | 2,613 |
| Provision for Income Taxes | 251 | 12 | 105 | 15 | 361 | 180 | 157 | 745 |
| Net Income (Loss) | \$ 745 | \$ 560 | \$ 315 | (\$334) | \$ 1,245 | \$ 1,226 | \$ 892 | \$ 1,868 |
| Basic Earnings Per Share | \$ 2.86 | \$ 2.15 | \$ 1.21 | (\$1.28) | \$ 4.75 | \$ 4.64 | \$ 3.36 | \$ 7.02 |
| Weighted Avg. Common Shares | 260 | 261 | 261 | 261 | 262 | 264 | 265 | 265 |
| Diluted Earnings Per Share | \$ 2.84 | \$ 2.13 | \$ 1.20 | (\$1.28) | \$ 4.72 | \$ 4.55 | \$ 3.30 | \$ 6.88 |
| Weighted Avg. Diluted Shares | 262 | 262 | 262 | 261 | 263 | 269 | 270 | 271 |

SELECTED STATISTICS

| | | | | | | | | |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Operating Margin | 5.7% | 3.2% | 2.4% | 2.7% | 8.2% | 7.1% | 4.7% | 8.0% |
| Pre-tax Margin | 5.8% | 3.3% | 2.4% | (1.8%) | 8.3% | 6.8% | 4.9% | 11.6% |
| Dividends Paid Per Common Share | \$ 0.65 | \$ 0.65 | \$ 0.65 | \$ 0.65 | \$ 0.65 | \$ 0.65 | \$ 0.65 | \$ 0.65 |

Unaudited. Differences may result due to rounding.

FedEx Corporation

Quarterly Consolidated Statements of Income

FY 2022 – FY 2023

Year ended May 31
In millions, except EPS

| | FY 2022 | | | | FY 2023 | | | |
|----------------------------------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| Revenue: | | | | | | | | |
| FedEx Express segment | \$ 10,966 | \$ 11,605 | \$ 11,304 | \$ 11,939 | \$ 11,127 | \$ 10,864 | | |
| FedEx Ground segment | 7,677 | 8,264 | 8,800 | 8,491 | 8,160 | 8,393 | | |
| FedEx Freight segment | 2,251 | 2,272 | 2,253 | 2,756 | 2,723 | 2,454 | | |
| FedEx Services segment | 35 | 77 | 65 | 76 | 70 | 68 | | |
| Other and eliminations | 1,074 | 1,256 | 1,219 | 1,132 | 1,162 | 1,035 | | |
| Total Revenue | <u>22,003</u> | <u>23,474</u> | <u>23,641</u> | <u>24,394</u> | <u>23,242</u> | <u>22,814</u> | | |
| Operating Expenses: | | | | | | | | |
| Salaries and employee benefits | 7,776 | 8,135 | 8,244 | 7,903 | 7,859 | 7,792 | | |
| Purchased transportation | 5,659 | 6,241 | 6,272 | 5,946 | 5,767 | 5,665 | | |
| Rentals and landing fees | 1,133 | 1,177 | 1,225 | 1,177 | 1,159 | 1,195 | | |
| Depreciation and amortization | 971 | 995 | 986 | 1,018 | 1,024 | 1,046 | | |
| Fuel | 1,009 | 1,145 | 1,201 | 1,760 | 1,822 | 1,593 | | |
| Maintenance and repairs | 869 | 839 | 822 | 842 | 904 | 882 | | |
| Business realignment and optimization costs ¹ | 67 | 44 | 107 | 60 | 38 | 36 | | |
| Other | 3,121 | 3,301 | 3,458 | 3,764 | 3,478 | 3,429 | | |
| Total Operating Expenses | <u>20,605</u> | <u>21,877</u> | <u>22,315</u> | <u>22,470</u> | <u>22,051</u> | <u>21,638</u> | | |
| Operating Income (Loss): | | | | | | | | |
| FedEx Express segment | 567 | 949 | 520 | 886 | 174 | 341 | | |
| FedEx Ground segment | 671 | 481 | 641 | 849 | 694 | 598 | | |
| FedEx Freight segment | 390 | 334 | 337 | 602 | 651 | 440 | | |
| Corporate, other, and eliminations | (230) | (167) | (172) | (413) | (328) | (203) | | |
| Total Operating Income | <u>1,398</u> | <u>1,597</u> | <u>1,326</u> | <u>1,924</u> | <u>1,191</u> | <u>1,176</u> | | |
| Other Income (Expense): | | | | | | | | |
| Interest, net | (160) | (155) | (163) | (158) | (142) | (127) | | |
| Other retirement plans income (expense) | 216 | (47) | 211 | (1,106) | 101 | 101 | | |
| Other, net | 3 | (15) | 1 | 24 | 4 | (91) | | |
| Total Other Income (Expense) | <u>59</u> | <u>(217)</u> | <u>49</u> | <u>(1,240)</u> | <u>(37)</u> | <u>(117)</u> | | |
| Income Before Income Taxes | 1,457 | 1,380 | 1,375 | 684 | 1,154 | 1,059 | | |
| Provision for Income Taxes | 345 | 336 | 263 | 126 | 279 | 271 | | |
| Net Income | <u>\$ 1,112</u> | <u>\$ 1,044</u> | <u>\$ 1,112</u> | <u>\$ 558</u> | <u>\$ 875</u> | <u>\$ 788</u> | | |
| Basic Earnings Per Share | <u>\$ 4.17</u> | <u>\$ 3.94</u> | <u>\$ 4.26</u> | <u>\$ 2.15</u> | <u>\$ 3.37</u> | <u>\$ 3.08</u> | | |
| Weighted Avg. Common Shares | 266 | 265 | 261 | 259 | 259 | 255 | | |
| Diluted Earnings Per Share | <u>\$ 4.09</u> | <u>\$ 3.88</u> | <u>\$ 4.20</u> | <u>\$ 2.13</u> | <u>\$ 3.33</u> | <u>\$ 3.07</u> | | |
| Weighted Avg. Diluted Shares | 271 | 268 | 265 | 261 | 262 | 256 | | |

SELECTED STATISTICS

| | | | | | | |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| Operating Margin | 6.4% | 6.8% | 5.6% | 7.9% | 5.1% | 5.2% |
| Pre-tax Margin | 6.6% | 5.9% | 5.8% | 2.8% | 5.0% | 4.6% |
| Dividends Paid Per Common Share | \$ 0.75 | \$ 0.75 | \$ 0.75 | \$ 0.75 | \$ 1.15 | \$ 1.15 |

1 - Second quarter 2023 includes business optimization costs of \$36 million (\$27 million, net of tax, or \$0.11 per diluted share). First quarter 2023 includes business realignment costs of \$14 million (\$11 million, net of tax, or \$0.04 per diluted share) associated with our workforce reduction plan in Europe previously announced in 2021, and business optimization costs of \$24 million (\$19 million, net of tax, or \$0.07 per diluted share) associated with our business optimization strategy announced in 2023.

Unaudited. Differences may result due to rounding.

FedEx Corporation

Capital Expenditures

FY 2020 – FY 2023

Years ended May 31

In millions

| | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>Q2 YTD FY 2023</u> |
|-----------------------------------------------|-----------------|-----------------|-----------------|---------------------------|
| <u>By Asset Type</u> | | | | |
| Aircraft and related equipment | \$ 1,628 | \$ 2,451 | \$ 2,273 | \$ 874 |
| Package handling and ground support equipment | 910 | 1,352 | 1,737 | 941 |
| Vehicles and trailers | 1,056 | 351 | 717 | 349 |
| Information technology | 915 | 816 | 851 | 449 |
| Facilities and other | 1,359 | 914 | 1,185 | 529 |
| Total | <u>\$ 5,868</u> | <u>\$ 5,884</u> | <u>\$ 6,763</u> | <u>\$ 3,142</u> |
| <u>By Segment</u> | | | | |
| FedEx Express segment | \$ 3,560 | \$ 3,503 | \$ 3,637 | \$ 1,524 |
| FedEx Ground segment | 1,083 | 1,446 | 2,139 | 1,013 |
| FedEx Freight segment | 539 | 320 | 319 | 240 |
| FedEx Services segment | 527 | 512 | 565 | 297 |
| Other | 159 | 103 | 103 | 68 |
| Total | <u>\$ 5,868</u> | <u>\$ 5,884</u> | <u>\$ 6,763</u> | <u>\$ 3,142</u> |

Unaudited. Differences may result due to rounding.

FedEx Express Segment

Annual Consolidated Statements of Income

FY 2020 – FY 2023

Years ended May 31
In millions

| | FY 2020 | FY 2021 | FY 2022 | Q2 YTD FY 2023 |
|----------------------------------------------------------|---------------|-----------------|-----------------|-------------------|
| Package Revenue: | | | | |
| U.S. Overnight Box | \$ 7,234 | \$ 8,116 | \$ 9,084 | \$ 4,553 |
| U.S. Overnight Envelope | 1,776 | 1,791 | 1,971 | 999 |
| Total U.S. Overnight | 9,010 | 9,907 | 11,055 | 5,552 |
| U.S. Deferred | 4,038 | 4,984 | 5,330 | 2,540 |
| Total U.S. Package Revenue | 13,048 | 14,891 | 16,385 | 8,092 |
| International Priority | 7,354 | 10,317 | 12,130 | 5,720 |
| International Economy | 3,082 | 2,632 | 2,838 | 1,418 |
| Total International Export Package Revenue | 10,436 | 12,949 | 14,968 | 7,138 |
| International Domestic ¹ | 4,179 | 4,640 | 4,340 | 2,010 |
| Total Package Revenue | 27,663 | 32,480 | 35,693 | 17,240 |
| Freight Revenue: | | | | |
| U.S. | 2,998 | 3,325 | 3,041 | 1,580 |
| International Priority | 1,915 | 3,030 | 3,840 | 1,699 |
| International Economy | 1,930 | 1,582 | 1,653 | 765 |
| International Airfreight | 270 | 245 | 177 | 80 |
| Total Freight Revenue | 7,113 | 8,182 | 8,711 | 4,124 |
| Other Revenue | 737 | 1,416 | 1,410 | 627 |
| Total Revenue | 35,513 | 42,078 | 45,814 | 21,991 |
| Operating Expenses: | | | | |
| Salaries and employee benefits | 13,764 | 16,217 | 16,435 | 7,988 |
| Purchased transportation | 4,832 | 5,744 | 6,322 | 2,910 |
| Rentals and landing fees | 2,045 | 2,296 | 2,568 | 1,163 |
| Depreciation and amortization | 1,894 | 1,946 | 2,007 | 1,033 |
| Fuel | 2,664 | 2,461 | 4,418 | 2,956 |
| Maintenance and repairs | 1,874 | 2,228 | 2,120 | 1,096 |
| Business realignment and optimization costs ² | — | 116 | 278 | 25 |
| Asset impairment charges | 66 | — | — | — |
| Intercompany charges | 1,956 | 1,996 | 1,997 | 961 |
| Other | 5,422 | 6,264 | 6,747 | 3,344 |
| | 34,517 | 39,268 | 42,892 | 21,476 |
| Operating Income | \$ 996 | \$ 2,810 | \$ 2,922 | \$ 515 |

SELECTED STATISTICS

| | | | | |
|------------------|------|------|------|------|
| Operating Margin | 2.8% | 6.7% | 6.4% | 2.3% |
|------------------|------|------|------|------|

1 - International domestic revenue relates to our international intra-country operations.

2 - FY23 includes business realignment costs of \$14 million associated with our workforce reduction plan in Europe previously announced in 2021, as well as \$11 million associated with our business optimization strategy announced in 2023.

Unaudited. Differences may result due to rounding.

FedEx Express Segment

Quarterly Consolidated Statements of Income

FY 2020 – FY 2021

Years ended May 31
In millions

| | FY 2020 | | | | FY 2021 | | | |
|-----------------------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| Package Revenue: | | | | | | | | |
| U.S. Overnight Box | \$ 1,866 | \$ 1,864 | \$ 1,865 | \$ 1,639 | \$ 1,861 | \$ 2,012 | \$ 2,078 | \$ 2,165 |
| U.S. Overnight Envelope | 479 | 457 | 459 | 381 | 426 | 435 | 444 | 486 |
| Total U.S. Overnight | 2,345 | 2,321 | 2,324 | 2,020 | 2,287 | 2,447 | 2,522 | 2,651 |
| U.S. Deferred | 956 | 980 | 1,127 | 975 | 1,096 | 1,204 | 1,418 | 1,266 |
| Total U.S. Packages | 3,301 | 3,301 | 3,451 | 2,995 | 3,383 | 3,651 | 3,940 | 3,917 |
| International Priority | 1,817 | 1,817 | 1,710 | 2,010 | 2,317 | 2,510 | 2,596 | 2,894 |
| International Economy | 855 | 873 | 810 | 544 | 616 | 658 | 653 | 705 |
| Total International Export Package Revenue | 2,672 | 2,690 | 2,520 | 2,554 | 2,933 | 3,168 | 3,249 | 3,599 |
| International Domestic ¹ | 1,076 | 1,165 | 1,075 | 863 | 1,088 | 1,206 | 1,162 | 1,184 |
| Total Package Revenue | 7,049 | 7,156 | 7,046 | 6,412 | 7,404 | 8,025 | 8,351 | 8,700 |
| Freight Revenue: | | | | | | | | |
| U.S. | 695 | 698 | 739 | 866 | 833 | 799 | 860 | 833 |
| International Priority | 464 | 473 | 439 | 539 | 653 | 737 | 775 | 865 |
| International Economy | 516 | 541 | 499 | 374 | 371 | 408 | 383 | 420 |
| International Airfreight | 66 | 70 | 61 | 73 | 75 | 65 | 56 | 49 |
| Total Freight Revenue | 1,741 | 1,782 | 1,738 | 1,852 | 1,932 | 2,009 | 2,074 | 2,167 |
| Other Revenue | 155 | 146 | 140 | 296 | 311 | 334 | 363 | 408 |
| Total Revenue | 8,945 | 9,084 | 8,924 | 8,560 | 9,647 | 10,368 | 10,788 | 11,275 |
| Operating Expenses: | | | | | | | | |
| Salaries and employee benefits | 3,372 | 3,405 | 3,520 | 3,467 | 3,742 | 3,922 | 4,352 | 4,201 |
| Purchased transportation | 1,232 | 1,267 | 1,212 | 1,121 | 1,304 | 1,449 | 1,460 | 1,531 |
| Rentals and landing fees | 513 | 505 | 538 | 489 | 504 | 542 | 650 | 600 |
| Depreciation and amortization | 462 | 469 | 478 | 485 | 477 | 482 | 490 | 497 |
| Fuel | 743 | 754 | 744 | 423 | 496 | 529 | 647 | 789 |
| Maintenance and repairs | 517 | 514 | 429 | 414 | 551 | 542 | 549 | 586 |
| Business realignment costs | — | — | — | — | — | — | 10 | 106 |
| Asset impairment charges | — | 66 | — | — | — | — | — | — |
| Intercompany charges | 469 | 500 | 500 | 487 | 461 | 486 | 509 | 540 |
| Other | 1,352 | 1,368 | 1,366 | 1,336 | 1,402 | 1,516 | 1,658 | 1,688 |
| | 8,660 | 8,848 | 8,787 | 8,222 | 8,937 | 9,468 | 10,325 | 10,538 |
| Operating Income | \$ 285 | \$ 236 | \$ 137 | \$ 338 | \$ 710 | \$ 900 | \$ 463 | \$ 737 |

SELECTED STATISTICS

| | | | | | | | | |
|------------------|------|------|------|------|------|------|------|------|
| Operating Margin | 3.2% | 2.6% | 1.5% | 3.9% | 7.4% | 8.7% | 4.3% | 6.5% |
|------------------|------|------|------|------|------|------|------|------|

1 - International domestic revenue relates to our international intra-country operations.

Unaudited. Differences may result due to rounding.

FedEx Express Segment

Quarterly Consolidated Statements of Income

FY 2022 – FY 2023

Year ended May 31
In millions

| | FY 2022 | | | | FY 2023 | | | |
|----------------------------------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| Package Revenue: | | | | | | | | |
| U.S. Overnight Box | \$ 2,170 | \$ 2,249 | \$ 2,275 | \$ 2,390 | \$ 2,316 | \$ 2,237 | | |
| U.S. Overnight Envelope | 482 | 474 | 479 | 536 | 525 | 474 | | |
| Total U.S. Overnight | 2,652 | 2,723 | 2,754 | 2,926 | 2,841 | 2,711 | | |
| U.S. Deferred | 1,231 | 1,307 | 1,422 | 1,370 | 1,287 | 1,253 | | |
| Total U.S. Packages | 3,883 | 4,030 | 4,176 | 4,296 | 4,128 | 3,964 | | |
| International Priority | 2,839 | 3,107 | 2,991 | 3,193 | 2,897 | 2,823 | | |
| International Economy | 669 | 706 | 697 | 766 | 707 | 711 | | |
| Total International Export Package Revenue | 3,508 | 3,813 | 3,688 | 3,959 | 3,604 | 3,534 | | |
| International Domestic ¹ | 1,114 | 1,147 | 1,016 | 1,063 | 974 | 1,036 | | |
| Total Package Revenue | 8,505 | 8,990 | 8,880 | 9,318 | 8,706 | 8,534 | | |
| Freight Revenue: | | | | | | | | |
| U.S. | 775 | 775 | 712 | 779 | 796 | 784 | | |
| International Priority | 873 | 994 | 948 | 1,025 | 888 | 811 | | |
| International Economy | 414 | 438 | 378 | 423 | 377 | 388 | | |
| International Airfreight | 47 | 47 | 40 | 43 | 41 | 39 | | |
| Total Freight Revenue | 2,109 | 2,254 | 2,078 | 2,270 | 2,102 | 2,022 | | |
| Other Revenue | 352 | 361 | 346 | 351 | 319 | 308 | | |
| Total Revenue | 10,966 | 11,605 | 11,304 | 11,939 | 11,127 | 10,864 | | |
| Operating Expenses: | | | | | | | | |
| Salaries and employee benefits | 4,084 | 4,141 | 4,182 | 4,028 | 4,050 | 3,938 | | |
| Purchased transportation | 1,551 | 1,623 | 1,566 | 1,582 | 1,478 | 1,432 | | |
| Rentals and landing fees | 635 | 649 | 667 | 617 | 577 | 586 | | |
| Depreciation and amortization | 492 | 510 | 490 | 515 | 513 | 520 | | |
| Fuel | 868 | 989 | 1,040 | 1,521 | 1,584 | 1,372 | | |
| Maintenance and repairs | 573 | 525 | 509 | 513 | 562 | 534 | | |
| Business realignment and optimization costs ² | 67 | 44 | 107 | 60 | 14 | 11 | | |
| Intercompany charges | 508 | 497 | 494 | 498 | 484 | 477 | | |
| Other | 1,621 | 1,678 | 1,729 | 1,719 | 1,691 | 1,653 | | |
| | 10,399 | 10,656 | 10,784 | 11,053 | 10,953 | 10,523 | | |
| Operating Income | \$ 567 | \$ 949 | \$ 520 | \$ 886 | \$ 174 | \$ 341 | | |

SELECTED STATISTICS

| | | | | | | |
|------------------|------|------|------|------|------|------|
| Operating Margin | 5.2% | 8.2% | 4.6% | 7.4% | 1.6% | 3.1% |
|------------------|------|------|------|------|------|------|

1 - International domestic revenue relates to our international intra-country operations.

2 - Second quarter 2023 includes business optimization costs of \$11 million associated with our business optimization strategy announced in 2023. First quarter 2023 includes business realignment costs of \$14 million associated with our workforce reduction plan in Europe previously announced in 2021.

Unaudited. Differences may result due to rounding.

FedEx Express Segment Annual Operating Statistics FY 2020 – FY 2023

| | FY 2020 | FY 2021 | FY 2022 | Q2 YTD FY 2023 |
|-----------------------------------------|----------|----------|----------|-------------------|
| <u>AVG DAILY VOLUME / POUNDS</u> | | | | |
| Average Daily Package Volume (000s): | | | | |
| U.S. Overnight Box | 1,211 | 1,427 | 1,421 | 1,284 |
| U.S. Overnight Envelope | 521 | 505 | 506 | 471 |
| Total U.S. Overnight | 1,732 | 1,932 | 1,927 | 1,755 |
| U.S. Deferred | 1,076 | 1,351 | 1,262 | 1,057 |
| Total U.S. Packages | 2,808 | 3,283 | 3,189 | 2,812 |
| International Priority | 559 | 752 | 786 | 718 |
| International Economy | 282 | 284 | 277 | 272 |
| Total International Export Packages | 841 | 1,036 | 1,063 | 990 |
| International Domestic ¹ | 2,337 | 2,362 | 1,954 | 1,826 |
| Total Avg Daily Packages | 5,986 | 6,681 | 6,206 | 5,628 |
| Average Daily Freight Pounds (000s): | | | | |
| U.S. | 8,528 | 9,231 | 7,935 | 7,406 |
| International Priority | 4,895 | 6,155 | 6,671 | 5,902 |
| International Economy | 13,450 | 12,245 | 11,978 | 10,928 |
| International Airfreight | 1,535 | 1,469 | 1,160 | 952 |
| Total Avg Daily Freight Pounds | 28,408 | 29,100 | 27,744 | 25,188 |
| <u>YIELD</u> | | | | |
| Revenue Per Package: | | | | |
| U.S. Overnight Box | \$ 23.51 | \$ 22.31 | \$ 25.07 | \$ 27.71 |
| U.S. Overnight Envelope | 13.43 | 13.90 | 15.28 | 16.55 |
| Total U.S. Overnight | 20.48 | 20.11 | 22.50 | 24.71 |
| U.S. Deferred | 14.78 | 14.46 | 16.56 | 18.77 |
| Total U.S. Packages | 18.30 | 17.79 | 20.15 | 22.48 |
| International Priority | 51.75 | 53.84 | 60.54 | 62.28 |
| International Economy | 43.03 | 36.32 | 40.13 | 40.66 |
| Total International Export Packages | 48.83 | 49.03 | 55.21 | 56.33 |
| International Domestic ¹ | 7.04 | 7.70 | 8.71 | 8.60 |
| Total Composite Package Yield | \$ 18.19 | \$ 19.06 | \$ 22.56 | \$ 23.93 |
| Revenue Per Freight Pound: | | | | |
| U.S. | \$ 1.38 | \$ 1.41 | \$ 1.50 | \$ 1.67 |
| International Priority | 1.54 | 1.93 | 2.26 | 2.25 |
| International Economy | 0.56 | 0.51 | 0.54 | 0.55 |
| International Airfreight | 0.69 | 0.65 | 0.60 | 0.66 |
| Total Composite Freight Yield | \$ 0.99 | \$ 1.10 | \$ 1.23 | \$ 1.28 |
| <u>PACKAGE YOY GROWTH RATES</u> | | | | |
| Average Daily Volume Growth: | | | | |
| U.S. Overnight Box | (5.8%) | 17.8% | (0.4%) | (11.1%) |
| U.S. Overnight Envelope | (3.3%) | (3.1%) | 0.2% | (8.7%) |
| Total U.S. Overnight | (5.0%) | 11.5% | (0.3%) | (10.5%) |
| U.S. Deferred | (0.1%) | 25.6% | (6.6%) | (16.6%) |
| Total U.S. Package | (3.2%) | 16.9% | (2.9%) | (12.9%) |
| International Priority | 3.9% | 34.5% | 4.5% | (10.5%) |
| International Economy | (3.8%) | 0.7% | (2.5%) | (1.4%) |
| Total International Export Package | 1.2% | 23.2% | 2.6% | (8.2%) |
| International Domestic ¹ | (5.4%) | 1.1% | (17.3%) | (11.8%) |
| Total Package Volume Growth | (3.5%) | 11.6% | (7.1%) | (11.7%) |
| Revenue Growth: | | | | |
| U.S. Overnight Box | (5.6%) | 12.2% | 11.9% | 3.0% |
| U.S. Overnight Envelope | (2.9%) | 0.8% | 10.1% | 4.5% |
| Total U.S. Overnight | (5.1%) | 10.0% | 11.6% | 3.3% |
| U.S. Deferred | (4.4%) | 23.4% | 6.9% | 0.1% |
| Total U.S. Package | (4.9%) | 14.1% | 10.0% | 2.3% |
| International Priority | (0.7%) | 40.3% | 17.6% | (3.8%) |
| International Economy | (10.6%) | (14.6%) | 7.8% | 3.1% |
| Total International Export Package | (3.8%) | 24.1% | 15.6% | (2.5%) |
| International Domestic ¹ | (8.0%) | 11.0% | (6.5%) | (11.1%) |
| Total Package Revenue Growth | (5.0%) | 17.4% | 9.9% | (1.5%) |
| AVG POUNDS PER PACKAGE | 13.6 | 12.6 | 12.4 | 12.9 |
| AVG REVENUE PER PACKAGE LB. | \$ 1.34 | \$ 1.51 | \$ 1.82 | \$ 1.86 |
| OPERATING WEEKDAYS | 254 | 255 | 255 | 128 |

1 - International domestic statistics relate to our international intra-country operations.

Unaudited. Differences may result due to rounding.

FedEx Express Segment

Quarterly Operating Statistics

FY 2020 – FY 2021

| | FY 2020 | | | | FY 2021 | | | |
|-------------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| AVG. DAILY VOLUME / POUNDS | | | | | | | | |
| Avg. Daily Package Volume (000s): | | | | | | | | |
| U.S. Overnight Box | 1,218 | 1,244 | 1,258 | 1,126 | 1,287 | 1,453 | 1,529 | 1,442 |
| U.S. Overnight Envelope | 562 | 547 | 536 | 438 | 483 | 512 | 508 | 519 |
| Total U.S. Overnight | 1,780 | 1,791 | 1,794 | 1,564 | 1,770 | 1,965 | 2,037 | 1,961 |
| U.S. Deferred | 976 | 1,012 | 1,215 | 1,102 | 1,207 | 1,339 | 1,562 | 1,307 |
| Total U.S. Packages | 2,756 | 2,803 | 3,009 | 2,666 | 2,977 | 3,304 | 3,599 | 3,268 |
| International Priority | 530 | 565 | 542 | 600 | 696 | 748 | 765 | 796 |
| International Economy | 294 | 315 | 293 | 227 | 260 | 296 | 294 | 288 |
| Total International Export Packages | 824 | 880 | 835 | 827 | 956 | 1,044 | 1,059 | 1,084 |
| International Domestic ¹ | 2,352 | 2,669 | 2,405 | 1,928 | 2,298 | 2,635 | 2,353 | 2,171 |
| Total Avg. Daily Packages | 5,932 | 6,352 | 6,249 | 5,421 | 6,231 | 6,983 | 7,011 | 6,523 |
| Avg. Daily Freight Pounds (000s): | | | | | | | | |
| U.S. | 8,015 | 8,364 | 8,356 | 9,372 | 8,849 | 9,511 | 9,943 | 8,662 |
| International Priority | 4,792 | 5,230 | 4,752 | 4,807 | 5,501 | 6,234 | 6,286 | 6,608 |
| International Economy | 13,717 | 15,241 | 13,806 | 11,071 | 11,633 | 13,560 | 12,135 | 11,691 |
| International Airfreight | 1,555 | 1,726 | 1,422 | 1,440 | 1,575 | 1,605 | 1,417 | 1,280 |
| Total Avg. Daily Freight Pounds | 28,079 | 30,561 | 28,336 | 26,690 | 27,558 | 30,910 | 29,781 | 28,241 |
| YIELD | | | | | | | | |
| Revenue Per Package: | | | | | | | | |
| U.S. Overnight Box | \$ 23.94 | \$ 23.78 | \$ 23.54 | \$ 22.73 | \$ 22.25 | \$ 21.98 | \$ 21.91 | \$ 23.09 |
| U.S. Overnight Envelope | 13.32 | 13.26 | 13.59 | 13.59 | 13.56 | 13.50 | 14.08 | 14.41 |
| Total U.S. Overnight | 20.59 | 20.57 | 20.56 | 20.17 | 19.88 | 19.77 | 19.96 | 20.79 |
| U.S. Deferred | 15.29 | 15.39 | 14.73 | 13.83 | 13.97 | 14.27 | 14.65 | 14.90 |
| Total U.S. Packages | 18.71 | 18.70 | 18.21 | 17.55 | 17.48 | 17.54 | 17.66 | 18.44 |
| International Priority | 53.52 | 51.03 | 50.07 | 52.34 | 51.18 | 53.26 | 54.71 | 55.89 |
| International Economy | 45.52 | 43.94 | 43.88 | 37.47 | 36.46 | 35.29 | 35.87 | 37.67 |
| Total International Export Packages | 50.67 | 48.49 | 47.90 | 48.26 | 47.18 | 48.17 | 49.49 | 51.05 |
| International Domestic ¹ | 7.15 | 6.92 | 7.09 | 7.00 | 7.28 | 7.27 | 7.96 | 8.39 |
| Total Composite Package Yield | \$ 18.57 | \$ 17.88 | \$ 17.90 | \$ 18.48 | \$ 18.28 | \$ 18.24 | \$ 19.21 | \$ 20.51 |
| Revenue Per Freight Pound: | | | | | | | | |
| U.S. | \$ 1.36 | \$ 1.32 | \$ 1.40 | \$ 1.44 | \$ 1.45 | \$ 1.33 | \$ 1.40 | \$ 1.48 |
| International Priority | 1.51 | 1.43 | 1.47 | 1.75 | 1.83 | 1.88 | 1.99 | 2.02 |
| International Economy | 0.59 | 0.56 | 0.57 | 0.53 | 0.49 | 0.48 | 0.51 | 0.55 |
| International Airfreight | 0.66 | 0.65 | 0.68 | 0.79 | 0.74 | 0.64 | 0.64 | 0.59 |
| Total Composite Freight Yield | \$ 0.97 | \$ 0.93 | \$ 0.97 | \$ 1.08 | \$ 1.08 | \$ 1.03 | \$ 1.12 | \$ 1.18 |
| PACKAGE YOY GROWTH RATES | | | | | | | | |
| Average Daily Volume Growth: | | | | | | | | |
| U.S. Overnight Box | (1.1%) | (4.9%) | (3.7%) | (13.1%) | 5.7% | 16.8% | 21.5% | 28.1% |
| U.S. Overnight Envelope | 2.0% | 2.8% | 2.3% | (20.2%) | (14.1%) | (6.4%) | (5.2%) | 18.5% |
| Total U.S. Overnight | (0.1%) | (2.7%) | (2.0%) | (15.2%) | (0.6%) | 9.7% | 13.5% | 25.4% |
| U.S. Deferred | 6.6% | (6.5%) | (0.7%) | 0.9% | 23.7% | 32.3% | 28.6% | 18.6% |
| Total U.S. Package | 2.1% | (4.1%) | (1.5%) | (9.2%) | 8.0% | 17.9% | 19.6% | 22.6% |
| International Priority | 0.8% | 1.8% | 2.3% | 10.7% | 31.3% | 32.4% | 41.1% | 32.7% |
| International Economy | 6.5% | 4.3% | 1.4% | (25.3%) | (11.6%) | (6.0%) | 0.3% | 26.9% |
| Total International Export Package | 2.7% | 2.7% | 2.0% | (2.2%) | 16.0% | 18.6% | 26.8% | 31.1% |
| International Domestic ¹ | (1.8%) | — | (0.2%) | (20.1%) | (2.3%) | (1.3%) | (2.2%) | 12.6% |
| Total Package Volume Growth | 0.6% | (1.5%) | (0.6%) | (12.5%) | 5.0% | 9.9% | 12.2% | 20.3% |
| Revenue Growth: | | | | | | | | |
| U.S. Overnight Box | (1.1%) | (4.3%) | 1.1% | (17.4%) | (0.3%) | 7.9% | 11.4% | 32.1% |
| U.S. Overnight Envelope | 2.4% | 2.9% | 6.0% | (21.3%) | (11.1%) | (4.8%) | (3.3%) | 27.6% |
| Total U.S. Overnight | (0.4%) | (3.0%) | 2.1% | (18.2%) | (2.5%) | 5.4% | 8.5% | 31.2% |
| U.S. Deferred | 0.4% | (7.5%) | 0.7% | (10.9%) | 14.6% | 22.9% | 25.8% | 29.8% |
| Total U.S. Package | (0.2%) | (4.4%) | 1.6% | (15.9%) | 2.5% | 10.6% | 14.2% | 30.8% |
| International Priority | (3.0%) | (4.2%) | (1.6%) | 6.0% | 27.5% | 38.1% | 51.8% | 44.0% |
| International Economy | 0.6% | (1.4%) | 0.5% | (39.9%) | (28.0%) | (24.6%) | (19.4%) | 29.6% |
| Total International Export Package | (1.9%) | (3.3%) | (0.9%) | (8.9%) | 9.8% | 17.8% | 28.9% | 40.9% |
| International Domestic ¹ | (4.9%) | (3.2%) | (0.3%) | (23.5%) | 1.1% | 3.5% | 8.1% | 37.2% |
| Total Package Revenue Growth | (1.6%) | (3.8%) | 0.4% | (14.4%) | 5.0% | 12.1% | 18.5% | 35.7% |
| AVG POUNDS PER PACKAGE | 13.9 | 14.2 | 13.2 | 13.0 | 12.8 | 13.2 | 11.9 | 12.5 |
| AVG REVENUE PER PACKAGE LB. | \$ 1.34 | \$ 1.26 | \$ 1.36 | \$ 1.42 | \$ 1.43 | \$ 1.38 | \$ 1.61 | \$ 1.64 |
| OPERATING WEEKDAYS | 64 | 63 | 63 | 64 | 65 | 63 | 62 | 65 |

1 - International domestic statistics relate to our international intra-country operations.

Unaudited. Differences may result due to rounding.

FedEx Express Segment Quarterly Operating Statistics FY 2022 – FY 2023

| | FY 2022 | | | | FY 2023 | | | |
|-------------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| AVG. DAILY VOLUME / POUNDS | | | | | | | | |
| Avg. Daily Package Volume (000s): | | | | | | | | |
| U.S. Overnight Box | 1,413 | 1,477 | 1,457 | 1,340 | 1,285 | 1,283 | | |
| U.S. Overnight Envelope | 514 | 517 | 497 | 494 | 485 | 458 | | |
| Total U.S. Overnight | 1,927 | 1,994 | 1,954 | 1,834 | 1,770 | 1,741 | | |
| U.S. Deferred | 1,251 | 1,285 | 1,357 | 1,159 | 1,070 | 1,042 | | |
| Total U.S. Packages | 3,178 | 3,279 | 3,311 | 2,993 | 2,840 | 2,783 | | |
| International Priority | 771 | 834 | 799 | 742 | 700 | 736 | | |
| International Economy | 263 | 289 | 282 | 276 | 260 | 285 | | |
| Total International Export Packages | 1,034 | 1,123 | 1,081 | 1,018 | 960 | 1,021 | | |
| International Domestic ¹ | 2,004 | 2,141 | 1,866 | 1,808 | 1,706 | 1,950 | | |
| Total Avg. Daily Packages | 6,216 | 6,543 | 6,258 | 5,819 | 5,506 | 5,754 | | |
| Avg. Daily Freight Pounds (000s): | | | | | | | | |
| U.S. | 8,040 | 8,666 | 7,370 | 7,660 | 7,313 | 7,503 | | |
| International Priority | 6,594 | 6,969 | 6,595 | 6,533 | 6,042 | 5,757 | | |
| International Economy | 11,683 | 13,062 | 11,640 | 11,544 | 10,211 | 11,668 | | |
| International Airfreight | 1,227 | 1,241 | 1,123 | 1,050 | 956 | 948 | | |
| Total Avg. Daily Freight Pounds | 27,544 | 29,938 | 26,728 | 26,787 | 24,522 | 25,876 | | |
| YIELD | | | | | | | | |
| Revenue Per Package: | | | | | | | | |
| U.S. Overnight Box | \$ 23.62 | \$ 24.18 | \$ 25.18 | \$ 27.45 | \$ 27.73 | \$ 27.69 | | |
| U.S. Overnight Envelope | 14.42 | 14.55 | 15.54 | 16.68 | 16.64 | 16.44 | | |
| Total U.S. Overnight | 21.17 | 21.68 | 22.73 | 24.55 | 24.70 | 24.73 | | |
| U.S. Deferred | 15.14 | 16.14 | 16.90 | 18.18 | 18.50 | 19.06 | | |
| Total U.S. Packages | 18.79 | 19.51 | 20.34 | 22.08 | 22.36 | 22.61 | | |
| International Priority | 56.64 | 59.15 | 60.43 | 66.22 | 63.72 | 60.87 | | |
| International Economy | 39.10 | 38.85 | 39.85 | 42.66 | 41.81 | 39.58 | | |
| Total International Export Packages | 52.18 | 53.93 | 55.06 | 59.82 | 57.78 | 54.93 | | |
| International Domestic ¹ | 8.56 | 8.50 | 8.78 | 9.05 | 8.78 | 8.43 | | |
| Total Composite Package Yield | \$ 21.05 | \$ 21.81 | \$ 22.89 | \$ 24.64 | \$ 24.33 | \$ 23.54 | | |
| Revenue Per Freight Pound: | | | | | | | | |
| U.S. | \$ 1.48 | \$ 1.42 | \$ 1.56 | \$ 1.57 | \$ 1.68 | \$ 1.66 | | |
| International Priority | 2.04 | 2.26 | 2.32 | 2.41 | 2.26 | 2.24 | | |
| International Economy | 0.55 | 0.53 | 0.52 | 0.56 | 0.57 | 0.53 | | |
| International Airfreight | 0.60 | 0.59 | 0.58 | 0.63 | 0.66 | 0.65 | | |
| Total Composite Freight Yield | \$ 1.18 | \$ 1.20 | \$ 1.25 | \$ 1.30 | \$ 1.32 | \$ 1.24 | | |
| PACKAGE YOY GROWTH RATES | | | | | | | | |
| Average Daily Volume Growth: | | | | | | | | |
| U.S. Overnight Box | 9.8% | 1.7% | (4.7%) | (7.1%) | (9.1%) | (13.1%) | | |
| U.S. Overnight Envelope | 6.4% | 1.0% | (2.2%) | (4.8%) | (5.6%) | (11.4%) | | |
| Total U.S. Overnight | 8.9% | 1.5% | (4.1%) | (6.5%) | (8.1%) | (12.7%) | | |
| U.S. Deferred | 3.6% | (4.0%) | (13.1%) | (11.3%) | (14.5%) | (18.9%) | | |
| Total U.S. Package | 6.8% | (0.8%) | (8.0%) | (8.4%) | (10.6%) | (15.1%) | | |
| International Priority | 10.8% | 11.5% | 4.4% | (6.8%) | (9.2%) | (11.8%) | | |
| International Economy | 1.2% | (2.4%) | (4.1%) | (4.2%) | (1.1%) | (1.4%) | | |
| Total International Export Package | 8.2% | 7.6% | 2.1% | (6.1%) | (7.2%) | (9.1%) | | |
| International Domestic ¹ | (12.8%) | (18.7%) | (20.7%) | (16.7%) | (14.9%) | (8.9%) | | |
| Total Package Volume Growth | (0.2%) | (6.3%) | (10.7%) | (10.8%) | (11.4%) | (12.1%) | | |
| Revenue Growth: | | | | | | | | |
| U.S. Overnight Box | 16.6% | 11.8% | 9.5% | 10.4% | 6.7% | (0.5%) | | |
| U.S. Overnight Envelope | 13.1% | 9.0% | 7.9% | 10.3% | 8.9% | - | | |
| Total U.S. Overnight | 16.0% | 11.3% | 9.2% | 10.4% | 7.1% | (0.4%) | | |
| U.S. Deferred | 12.3% | 8.6% | 0.3% | 8.2% | 4.5% | (4.1%) | | |
| Total U.S. Package | 14.8% | 10.4% | 6.0% | 9.7% | 6.3% | (1.6%) | | |
| International Priority | 22.5% | 23.8% | 15.2% | 10.3% | 2.0% | (9.1%) | | |
| International Economy | 8.6% | 7.3% | 6.7% | 8.7% | 5.7% | 0.7% | | |
| Total International Export Package | 19.6% | 20.4% | 13.5% | 10.0% | 2.7% | (7.3%) | | |
| International Domestic ¹ | 2.4% | (4.9%) | (12.6%) | (10.2%) | (12.6%) | (9.7%) | | |
| Total Package Revenue Growth | 14.9% | 12.0% | 6.3% | 7.1% | 2.4% | (5.1%) | | |
| AVG POUNDS PER PACKAGE | 12.6 | 12.7 | 11.9 | 12.6 | 12.6 | 13.1 | | |
| AVG REVENUE PER PACKAGE LB. | \$ 1.67 | \$ 1.72 | \$ 1.92 | \$ 1.96 | \$ 1.93 | \$ 1.80 | | |
| OPERATING WEEKDAYS ² | 65 | 63 | 62 | 65 | 65 | 63 | 62 | 65 |

1 - International domestic statistics relate to our international intra-country operations.

2 - Operating weekdays for Q1 - Q4 FY24 are forecasted at 65, 63, 63, and 65 days respectively.

Unaudited. Differences may result due to rounding.

FedEx Express Jet Fuel Statistics FY 2020 – FY 2023

| | FY 2020 | | | | FY 2021 | | | |
|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> |
| Jet Fuel Gallons (000s) | 308,387 | 313,590 | 319,713 | 332,310 | 353,867 | 358,364 | 356,218 | 364,989 |
| Price Per Gallon | \$ 2.064 | \$ 2.067 | \$ 2.002 | \$ 1.024 | \$ 1.149 | \$ 1.219 | \$ 1.536 | \$ 1.847 |
| Jet Fuel Expense (\$000s) | \$ 636,416 | \$ 648,068 | \$ 640,101 | \$ 340,369 | \$ 406,752 | \$ 436,808 | \$ 547,001 | \$ 674,232 |

| | FY 2022 | | | | FY 2023 | | | |
|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> |
| Jet Fuel Gallons (000s) | 364,016 | 373,825 | 370,556 | 370,669 | 361,676 | 349,863 | | |
| Price Per Gallon | \$ 2.040 | \$ 2.304 | \$ 2.450 | \$ 3.657 | \$ 3.900 | \$ 3.470 | | |
| Jet Fuel Expense (\$000s) | \$ 742,583 | \$ 861,319 | \$ 907,785 | \$ 1,355,544 | \$ 1,410,573 | \$ 1,213,503 | | |

Unaudited. Differences may result due to rounding.

FedEx Express Aircraft and Vehicle Fleet Statistics FY 2020 – FY 2028

| | Gross Max Structural Payload (Lbs/Aircraft) | May 31 | | | As of | To Be Delivered/(Retired) in FY | | | | | |
|-------------------------------------------------|---------------------------------------------------|-------------|-------------|-------------|------------------|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| | | 2020 | 2021 | 2022 | Nov. 30, 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Trunk (Jet) Aircraft: | | | | | | | | | | | |
| Boeing 757-200 | 63,000 | 119 | 119 | 119 | 119 | — | — | — | — | — | — |
| Boeing 767F ¹ | 127,100 | 86 | 102 | 114 | 123 | 5 | 14 | 10 | — | — | — |
| Boeing MD10-10 | 137,500 | 12 | — | — | — | — | — | — | — | — | — |
| Boeing MD10-30 | 175,900 | 13 | 13 | 9 | 8 | (8) | — | — | — | — | — |
| Boeing MD11 | 192,600 | 57 | 57 | 57 | 58 | — | — | — | — | — | — |
| Boeing 777F ² | 233,300 | 43 | 47 | 51 | 53 | — | 4 | 2 | — | — | — |
| Airbus A300-600 | 106,600 | <u>68</u> | <u>68</u> | <u>67</u> | <u>67</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Subtotal - Trunk Aircraft | | 398 | 406 | 417 | 428 | (3) | 18 | 12 | — | — | — |
| Feeder (Turboprop) Aircraft: | | | | | | | | | | | |
| Cessna 208B | 2,830 | 235 | 235 | 235 | 234 | — | — | — | — | — | — |
| Cessna 408 ³ | 6,000 | — | — | 1 | 5 | 7 | 12 | 12 | 14 | — | — |
| ATR-72 | 17,970 | 21 | 21 | 19 | 19 | — | — | — | — | — | — |
| ATR-72 600F ⁴ | 19,290 | — | 2 | 6 | 10 | 7 | 6 | 6 | 1 | — | — |
| ATR-42 | 12,070 | <u>25</u> | <u>20</u> | <u>18</u> | <u>18</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Subtotal - Feeder Aircraft | | 281 | 278 | 279 | 286 | 14 | 18 | 18 | 15 | — | — |
| Aircraft Fleet Total | | 679 | 684 | 696 | 714 | 11 | 36 | 30 | 15 | — | — |
| Scheduled Lease Expirations:⁵ | | | | | | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Boeing MD11 | | | | | | 2 | 3 | 2 | — | — | — |
| Airbus A300-600 | | | | | | 2 | 7 | — | 2 | — | — |
| Boeing 777F | | | | | | — | 3 | — | — | — | — |
| Vehicle Fleet (000s) | | | | | | | | | | | |
| Long-Haul Tractors | | 4.5 | 4.3 | 4.2 | 4.7 | | | | | | |
| All Other Motorized Vehicles | | <u>73.3</u> | <u>83.0</u> | <u>81.9</u> | <u>77.3</u> | | | | | | |
| Vehicle Fleet Total | | 77.8 | 87.3 | 86.1 | 82.0 | | | | | | |

NOTE: Aircraft fleet delivery and retirement schedule is subject to change.

1 - As of November 30, 2022, we are committed to purchase 29 B767F aircraft and have options to purchase an additional 50 B767F aircraft.

2 - As of November 30, 2022, we are committed to purchase 6 B777F aircraft and have options to purchase an additional 23 B777F aircraft.

3 - As of November 30, 2022, we are committed to purchase 45 Cessna SkyCourier 408 aircraft and have options to purchase an additional 50 Cessna SkyCourier 408 aircraft.

4 - As of November 30, 2022, we are committed to purchase 20 ATR-72 600F aircraft and have options to purchase an additional 20 ATR-72 600F aircraft.

5 - Leased aircraft disposition determined by expiration.

Unaudited. Differences may result due to rounding.

FedEx Ground Segment

Annual Consolidated Statements of Income

FY 2020 – FY 2023

Years ended May 31
In millions

| | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>Q2 YTD FY 2023</u> |
|--------------------------------|-----------------|-----------------|-----------------|---------------------------|
| Revenue | \$ 22,733 | \$ 30,496 | \$ 33,232 | \$ 16,553 |
| Operating Expenses: | | | | |
| Salaries and employee benefits | 4,060 | 6,060 | 7,101 | 3,364 |
| Purchased transportation | 10,799 | 14,126 | 15,232 | 7,541 |
| Rentals | 989 | 1,166 | 1,410 | 804 |
| Depreciation and amortization | 789 | 843 | 919 | 495 |
| Fuel | 15 | 21 | 32 | 19 |
| Maintenance and repairs | 392 | 496 | 584 | 317 |
| Intercompany charges | 1,581 | 1,862 | 1,954 | 983 |
| Other | 2,094 | 2,729 | 3,358 | 1,738 |
| | <u>20,719</u> | <u>27,303</u> | <u>30,590</u> | <u>15,261</u> |
| Operating Income | <u>\$ 2,014</u> | <u>\$ 3,193</u> | <u>\$ 2,642</u> | <u>\$ 1,292</u> |

SELECTED STATISTICS

| | | | | |
|------------------|------|-------|------|------|
| Operating Margin | 8.9% | 10.5% | 8.0% | 7.8% |
|------------------|------|-------|------|------|

Unaudited. Differences may result due to rounding.

FedEx Ground Segment

Quarterly Consolidated Statements of Income

FY 2020 – FY 2021

Years ended May 31
In millions

| | FY 2020 | | | | FY 2021 | | | |
|--------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> |
| Revenue | \$ 5,179 | \$ 5,315 | \$ 5,845 | \$ 6,394 | \$ 7,040 | \$ 7,344 | \$ 7,980 | \$ 8,132 |
| Operating Expenses: | | | | | | | | |
| Salaries and employee benefits | 871 | 971 | 1,046 | 1,172 | 1,274 | 1,557 | 1,652 | 1,577 |
| Purchased transportation | 2,303 | 2,561 | 2,908 | 3,027 | 3,291 | 3,488 | 3,745 | 3,602 |
| Rentals | 239 | 249 | 256 | 245 | 264 | 289 | 306 | 307 |
| Depreciation and amortization | 193 | 195 | 197 | 204 | 204 | 205 | 214 | 220 |
| Fuel | 3 | 4 | 4 | 4 | 4 | 5 | 6 | 6 |
| Maintenance and repairs | 87 | 98 | 101 | 106 | 107 | 124 | 125 | 140 |
| Intercompany charges | 375 | 394 | 405 | 407 | 432 | 446 | 480 | 504 |
| Other | 464 | 501 | 573 | 556 | 630 | 678 | 750 | 671 |
| | <u>4,535</u> | <u>4,973</u> | <u>5,490</u> | <u>5,721</u> | <u>6,206</u> | <u>6,792</u> | <u>7,278</u> | <u>7,027</u> |
| Operating Income | <u>\$ 644</u> | <u>\$ 342</u> | <u>\$ 355</u> | <u>\$ 673</u> | <u>\$ 834</u> | <u>\$ 552</u> | <u>\$ 702</u> | <u>\$ 1,105</u> |

SELECTED STATISTICS

| | | | | | | | | |
|------------------|-------|------|------|-------|-------|------|------|-------|
| Operating Margin | 12.4% | 6.4% | 6.1% | 10.5% | 11.8% | 7.5% | 8.8% | 13.6% |
|------------------|-------|------|------|-------|-------|------|------|-------|

Unaudited. Differences may result due to rounding.

FedEx Ground Segment

Quarterly Consolidated Statements of Income

FY 2022 – FY 2023

Year ended May 31
In millions

| | FY 2022 | | | | FY 2023 | | | |
|--------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| Revenue | \$ 7,677 | \$ 8,264 | \$ 8,800 | \$ 8,491 | \$ 8,160 | \$ 8,393 | | |
| Operating Expenses: | | | | | | | | |
| Salaries and employee benefits | 1,613 | 1,855 | 1,950 | 1,683 | 1,637 | 1,727 | | |
| Purchased transportation | 3,503 | 3,915 | 4,023 | 3,791 | 3,713 | 3,828 | | |
| Rentals | 318 | 348 | 373 | 371 | 390 | 414 | | |
| Depreciation and amortization | 226 | 223 | 233 | 237 | 246 | 249 | | |
| Fuel | 6 | 7 | 9 | 10 | 9 | 10 | | |
| Maintenance and repairs | 136 | 149 | 148 | 151 | 155 | 162 | | |
| Intercompany charges | 491 | 480 | 489 | 494 | 490 | 493 | | |
| Other | 713 | 806 | 934 | 905 | 826 | 912 | | |
| | 7,006 | 7,783 | 8,159 | 7,642 | 7,466 | 7,795 | | |
| Operating Income | \$ 671 | \$ 481 | \$ 641 | \$ 849 | \$ 694 | \$ 598 | | |

SELECTED STATISTICS

| | | | | | | |
|------------------|------|------|------|-------|------|------|
| Operating Margin | 8.7% | 5.8% | 7.3% | 10.0% | 8.5% | 7.1% |
|------------------|------|------|------|-------|------|------|

Unaudited. Differences may result due to rounding.

FedEx Ground Segment Annual Operating Statistics FY 2020 – FY 2023

| | FY 2020 | FY 2021 | FY 2022 | Q2 YTD FY 2023 |
|--------------------------------------|--------------|--------------|---------------|-------------------|
| <u>FedEx Ground</u> | | | | |
| Total Package Volume (000s) | 2,539,136 | 3,129,231 | 3,095,515 | 1,428,431 |
| Average Daily Package Volume (000s): | | | | |
| Ground Commercial | 3,911 | 4,312 | 4,549 | 4,445 |
| Home Delivery | 3,336 | 4,048 | 4,223 | 3,997 |
| Economy | 2,165 | 1,594 | 1,130 | 778 |
| Total Average Daily Package Volume | <u>9,412</u> | <u>9,954</u> | <u>9,902</u> | <u>9,220</u> |
| Yield (Revenue Per Package) | \$ 8.93 | \$ 9.70 | \$ 10.64 | \$ 11.52 |
| Average Daily Volume Growth: | | | | |
| Ground Commercial | — | 10.3% | 5.5% | (3.3%) |
| Home Delivery | — | 21.3% | 4.3% | (0.9%) |
| Economy | — | (26.4%) | (29.1%) | (36.2%) |
| Total Average Daily Volume Growth | <u>5.1%</u> | <u>5.8%</u> | <u>(0.5%)</u> | <u>(6.4%)</u> |
| Yield Growth Rate | (0.4%) | 8.6% | 9.7% | 12.2% |
| Operating Days: | | | | |
| Ground Commercial | 254 | 256 | 258 | 128 |
| Home Delivery and Economy | 281 | 359 | 359 | 180 |

Unaudited. Differences may result due to rounding.

FedEx Ground Segment Quarterly Operating Statistics FY 2020 – FY 2023

| | FY 2020 | | | | FY 2021 | | | |
|---------------------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| FedEx Ground | | | | | | | | |
| Total Package Volume (000s) | 565,375 | 601,995 | 663,740 | 708,026 | 751,332 | 775,868 | 818,777 | 783,254 |
| Average Daily Package Volume (000s): | | | | | | | | |
| Ground Commercial | — | — | — | 3,417 | 3,966 | 4,392 | 4,327 | 4,572 |
| Home Delivery | — | — | — | 3,556 | 3,682 | 3,913 | 4,645 | 3,968 |
| Economy | — | — | — | 1,821 | 1,698 | 1,696 | 1,611 | 1,374 |
| Total Average Daily Package Volume | 8,834 | 9,556 | 10,536 | 8,794 | 9,346 | 10,001 | 10,583 | 9,914 |
| Yield (Revenue Per Package) | \$ 9.13 | \$ 8.80 | \$ 8.78 | \$ 9.01 | \$ 9.33 | \$ 9.42 | \$ 9.72 | \$ 10.31 |
| Average Daily YOY Package Growth Rate: | | | | | | | | |
| Ground Commercial | — | — | — | — | — | — | — | 33.8% |
| Home Delivery | — | — | — | — | — | — | — | 11.6% |
| Economy | — | — | — | — | — | — | — | (24.5%) |
| Total Average Daily YOY Package Growth Rate | 7.5% | 3.5% | 10.3% | (0.5%) | 5.8% | 4.7% | 0.4% | 12.7% |
| Yield YOY Growth Rate | 1.9% | (0.1%) | (1.0%) | (2.6%) | 2.2% | 7.0% | 10.7% | 14.4% |
| Operating Days: | | | | | | | | |
| Ground Commercial | 64 | 63 | 63 | 64 | 66 | 63 | 62 | 65 |
| Home Delivery and Economy | 64 | 63 | 63 | 91 | 91 | 89 | 88 | 91 |

| | FY 2022 | | | | FY 2023 | | | |
|---------------------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| FedEx Ground | | | | | | | | |
| Total Package Volume (000s) | 738,959 | 799,690 | 822,117 | 734,749 | 706,361 | 722,071 | | |
| Average Daily Package Volume (000s): | | | | | | | | |
| Ground Commercial | 4,425 | 4,774 | 4,503 | 4,500 | 4,368 | 4,523 | | |
| Home Delivery | 3,747 | 4,328 | 4,860 | 3,981 | 3,912 | 4,084 | | |
| Economy | 1,164 | 1,278 | 1,207 | 879 | 730 | 828 | | |
| Total Average Daily Package Volume | 9,336 | 10,380 | 10,570 | 9,360 | 9,010 | 9,435 | | |
| Yield (Revenue Per Package) | \$ 10.29 | \$ 10.26 | \$ 10.62 | \$ 11.41 | \$ 11.48 | \$ 11.55 | | |
| Average Daily YOY Package Growth Rate: | | | | | | | | |
| Ground Commercial | 11.6% | 8.7% | 4.1% | (1.6%) | (1.3%) | (5.3%) | | |
| Home Delivery | 1.8% | 10.6% | 4.6% | 0.3% | 4.4% | (5.6%) | | |
| Economy | (31.4%) | (24.6%) | (25.1%) | (36.0%) | (37.3%) | (35.2%) | | |
| Total Average Daily YOY Package Growth Rate | (0.1%) | 3.8% | (0.1%) | (5.6%) | (3.5%) | (9.1%) | | |
| Yield YOY Growth Rate | 10.3% | 8.9% | 9.3% | 10.7% | 11.6% | 12.5% | | |
| Operating Days: | | | | | | | | |
| Ground Commercial ¹ | 66 | 63 | 64 | 65 | 65 | 63 | 64 | 65 |
| Home Delivery and Economy ² | 91 | 89 | 88 | 91 | 91 | 89 | 88 | 91 |

1 - Ground Commercial operating days for Q1 - Q4 FY24 are forecasted at 65, 63, 63, and 65 days respectively.

2 - Home Delivery and Economy operating days for Q1 - Q4 FY24 are forecasted at 91, 89, 89, and 91 days respectively.

Unaudited. Differences may result due to rounding.

FedEx Freight Segment

Annual Consolidated Statements of Income

FY 2020 – FY 2023

Years ended May 31
In millions

| | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>Q2 YTD FY 2023</u> |
|--------------------------------|----------------|-----------------|-----------------|---------------------------|
| Revenue | \$ 7,102 | \$ 7,833 | \$ 9,532 | \$ 5,177 |
| Operating Expenses: | | | | |
| Salaries and employee benefits | 3,449 | 3,666 | 4,140 | 2,098 |
| Purchased transportation | 695 | 827 | 976 | 408 |
| Rentals | 208 | 229 | 245 | 131 |
| Depreciation and amortization | 381 | 417 | 406 | 209 |
| Fuel | 476 | 398 | 662 | 439 |
| Maintenance and repairs | 247 | 227 | 274 | 168 |
| Intercompany charges | 516 | 505 | 517 | 262 |
| Other | 550 | 559 | 649 | 371 |
| | <u>6,522</u> | <u>6,828</u> | <u>7,869</u> | <u>4,086</u> |
| Operating Income | <u>\$ 580</u> | <u>\$ 1,005</u> | <u>\$ 1,663</u> | <u>\$ 1,091</u> |

SELECTED STATISTICS

| | | | | |
|------------------|------|-------|-------|-------|
| Operating Margin | 8.2% | 12.8% | 17.4% | 21.1% |
|------------------|------|-------|-------|-------|

Unaudited. Differences may result due to rounding.

FedEx Freight Segment

Quarterly Consolidated Statements of Income

FY 2020 – FY 2021

Years ended May 31
In millions

| | FY 2020 | | | | FY 2021 | | | |
|--------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> |
| Revenue | \$ 1,905 | \$ 1,844 | \$ 1,738 | \$ 1,615 | \$ 1,826 | \$ 1,936 | \$ 1,836 | \$ 2,235 |
| Operating Expenses: | | | | | | | | |
| Salaries and employee benefits | 919 | 900 | 846 | 784 | 858 | 915 | 911 | 982 |
| Purchased transportation | 187 | 187 | 176 | 145 | 170 | 209 | 203 | 245 |
| Rentals | 52 | 52 | 54 | 50 | 56 | 59 | 57 | 57 |
| Depreciation and amortization | 94 | 97 | 92 | 98 | 106 | 105 | 104 | 102 |
| Fuel | 123 | 132 | 130 | 91 | 65 | 90 | 103 | 140 |
| Maintenance and repairs | 65 | 68 | 59 | 55 | 53 | 57 | 54 | 63 |
| Intercompany charges | 126 | 130 | 133 | 127 | 119 | 122 | 128 | 136 |
| Other | 145 | 137 | 135 | 133 | 125 | 127 | 157 | 150 |
| | <u>1,711</u> | <u>1,703</u> | <u>1,625</u> | <u>1,483</u> | <u>1,552</u> | <u>1,684</u> | <u>1,717</u> | <u>1,875</u> |
| Operating Income | <u>\$ 194</u> | <u>\$ 141</u> | <u>\$ 113</u> | <u>\$ 132</u> | <u>\$ 274</u> | <u>\$ 252</u> | <u>\$ 119</u> | <u>\$ 360</u> |

SELECTED STATISTICS

| | | | | | | | | |
|------------------|-------|------|------|------|-------|-------|------|-------|
| Operating Margin | 10.2% | 7.6% | 6.5% | 8.2% | 15.0% | 13.0% | 6.5% | 16.1% |
|------------------|-------|------|------|------|-------|-------|------|-------|

Unaudited. Differences may result due to rounding.

FedEx Freight Segment

Quarterly Consolidated Statements of Income

FY 2022 – FY 2023

Year ended May 31
In millions

| | FY 2022 | | | | FY 2023 | | | |
|--------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> | <u>FIRST QUARTER</u> | <u>SECOND QUARTER</u> | <u>THIRD QUARTER</u> | <u>FOURTH QUARTER</u> |
| Revenue | \$ 2,251 | \$ 2,272 | \$ 2,253 | \$ 2,756 | \$ 2,723 | \$ 2,454 | | |
| Operating Expenses: | | | | | | | | |
| Salaries and employee benefits | 988 | 1,029 | 1,014 | 1,109 | 1,059 | 1,039 | | |
| Purchased transportation | 239 | 244 | 237 | 256 | 221 | 187 | | |
| Rentals | 59 | 62 | 61 | 63 | 65 | 66 | | |
| Depreciation and amortization | 99 | 105 | 99 | 103 | 106 | 103 | | |
| Fuel | 135 | 147 | 152 | 228 | 228 | 211 | | |
| Maintenance and repairs | 63 | 67 | 65 | 79 | 80 | 88 | | |
| Intercompany charges | 126 | 132 | 128 | 131 | 132 | 130 | | |
| Other | 152 | 152 | 160 | 185 | 181 | 190 | | |
| | <u>1,861</u> | <u>1,938</u> | <u>1,916</u> | <u>2,154</u> | <u>2,072</u> | <u>2,014</u> | | |
| Operating Income | <u>\$ 390</u> | <u>\$ 334</u> | <u>\$ 337</u> | <u>\$ 602</u> | <u>\$ 651</u> | <u>\$ 440</u> | | |

SELECTED STATISTICS

| | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|
| Operating Margin | 17.3% | 14.7% | 15.0% | 21.8% | 23.9% | 17.9% |
|------------------|-------|-------|-------|-------|-------|-------|

Unaudited. Differences may result due to rounding.

FedEx Freight Segment

Annual Operating Statistics

FY 2020 – FY 2023

| | <u>FY 2020</u> | <u>FY 2021</u> | <u>FY 2022</u> | <u>Q2 YTD FY 2023</u> |
|----------------------------------------|----------------|----------------|----------------|---------------------------|
| Shipments Per Day | | | | |
| Priority | 72,526 | 76,224 | 79,086 | 74,806 |
| Economy | <u>30,433</u> | <u>32,185</u> | <u>32,613</u> | <u>31,547</u> |
| Total shipments per day | 102,959 | 108,409 | 111,699 | 106,353 |
| Weight Per Shipment (lbs) | | | | |
| Priority | 1,146 | 1,104 | 1,092 | 1,042 |
| Economy | <u>986</u> | <u>987</u> | <u>947</u> | <u>939</u> |
| Composite Weight per Shipment | 1,098 | 1,069 | 1,050 | 1,011 |
| Revenue/Shipment | | | | |
| Priority | \$ 260.39 | \$ 269.98 | \$ 320.76 | \$ 365.76 |
| Economy | <u>301.55</u> | <u>313.67</u> | <u>368.08</u> | <u>419.64</u> |
| Composite Revenue/Shipment | \$ 272.56 | \$ 282.95 | \$ 334.57 | \$ 381.74 |
| Revenue/CWT | | | | |
| Priority | \$ 22.73 | \$ 24.45 | \$ 29.38 | \$ 35.10 |
| Economy | <u>30.59</u> | <u>31.80</u> | <u>38.86</u> | <u>44.70</u> |
| Composite Revenue/CWT | \$ 24.82 | \$ 26.46 | \$ 31.88 | \$ 37.74 |
| Avg. Daily Shipment Growth Rate | | | | |
| Priority | (7.5%) | 5.1% | 3.8% | (7.5%) |
| Economy | (11.2%) | 5.8% | 1.3% | (5.3%) |
| Total shipments per day | (8.6%) | 5.3% | 3.0% | (6.8%) |
| Revenue/Shipment Growth Rate | | | | |
| Priority | 3.8% | 3.7% | 18.8% | 22.6% |
| Economy | 0.5% | 4.0% | 17.3% | 22.8% |
| Total Composite Revenue/Shipment | 2.9% | 3.8% | 18.2% | 22.8% |
| OPERATING WEEKDAYS | 252 | 253 | 254 | 127 |

Unaudited. Differences may result due to rounding.

FedEx Freight

Quarterly Operating Statistics

FY 2020 – FY 2021

| | FY 2020 | | | | FY 2021 | | | |
|----------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| Shipments Per Day | | | | | | | | |
| Priority | 78,490 | 77,444 | 70,515 | 63,746 | 71,313 | 78,084 | 72,664 | 82,703 |
| Economy | 32,853 | 32,571 | 29,783 | 26,571 | 30,124 | 32,895 | 31,078 | 34,609 |
| Total shipments per day | 111,343 | 110,015 | 100,298 | 90,317 | 101,437 | 110,979 | 103,742 | 117,312 |
| Weight Per Shipment (lbs) | | | | | | | | |
| Priority | 1,156 | 1,139 | 1,137 | 1,151 | 1,096 | 1,106 | 1,110 | 1,105 |
| Economy | 960 | 983 | 1,000 | 1,006 | 998 | 1,015 | 950 | 982 |
| Composite Weight per Shipment | 1,098 | 1,092 | 1,096 | 1,108 | 1,067 | 1,079 | 1,062 | 1,069 |
| Revenue/Shipment | | | | | | | | |
| Priority | \$ 255.45 | \$ 258.90 | \$ 265.17 | \$ 263.12 | \$ 259.90 | \$ 264.05 | \$ 275.44 | \$ 279.51 |
| Economy | 295.75 | 295.29 | 308.65 | 308.42 | 302.74 | 313.35 | 315.11 | 322.26 |
| Composite Revenue/Shipment | \$ 267.34 | \$ 270.38 | \$ 279.40 | \$ 276.45 | \$ 272.62 | \$ 278.66 | \$ 287.32 | \$ 292.12 |
| Revenue/CWT | | | | | | | | |
| Priority | \$ 22.10 | \$ 22.74 | \$ 23.33 | \$ 22.86 | \$ 23.71 | \$ 23.86 | \$ 24.82 | \$ 25.29 |
| Economy | 30.81 | 30.05 | 30.85 | 30.67 | 30.34 | 30.88 | 33.16 | 32.83 |
| Composite Revenue/CWT | \$ 24.35 | \$ 24.75 | \$ 25.49 | \$ 24.95 | \$ 25.55 | \$ 25.82 | \$ 27.06 | \$ 27.33 |
| Avg. Daily Shipment Growth Rate | | | | | | | | |
| Priority | (3.3%) | (5.2%) | (3.6%) | (17.6%) | (9.1%) | 0.8% | 3.0% | 29.7% |
| Economy | (5.0%) | (8.0%) | (9.0%) | (22.6%) | (8.3%) | 1.0% | 4.3% | 30.3% |
| Total shipments per day | (3.8%) | (6.0%) | (5.3%) | (19.2%) | (8.9%) | 0.9% | 3.4% | 29.9% |
| Revenue/Shipment Growth Rate | | | | | | | | |
| Priority | 3.5% | 3.7% | 4.7% | 3.4% | 1.7% | 2.0% | 3.9% | 6.2% |
| Economy | 1.2% | (0.8%) | 0.1% | 2.0% | 2.4% | 6.1% | 2.1% | 4.5% |
| Total Composite Revenue/Shipment | 2.7% | 2.3% | 3.2% | 3.8% | 2.0% | 3.1% | 2.8% | 5.7% |
| OPERATING WEEKDAYS | 64 | 62 | 62 | 64 | 65 | 62 | 61 | 65 |

Unaudited. Differences may result due to rounding.

FedEx Freight

Quarterly Operating Statistics

FY 2022 – FY 2023

| | FY 2022 | | | | FY 2023 | | | |
|----------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER | FIRST QUARTER | SECOND QUARTER | THIRD QUARTER | FOURTH QUARTER |
| Shipments Per Day | | | | | | | | |
| Priority | 80,314 | 81,403 | 74,978 | 79,567 | 76,174 | 73,372 | | |
| Economy | 33,528 | 33,070 | 30,464 | 33,313 | 32,104 | 30,964 | | |
| Total shipments per day | 113,842 | 114,473 | 105,442 | 112,880 | 108,278 | 104,336 | | |
| Weight Per Shipment (lbs) | | | | | | | | |
| Priority | 1,085 | 1,088 | 1,104 | 1,092 | 1,054 | 1,029 | | |
| Economy | 938 | 940 | 959 | 953 | 938 | 940 | | |
| Composite Weight per Shipment | 1,041 | 1,045 | 1,062 | 1,051 | 1,020 | 1,002 | | |
| Revenue/Shipment | | | | | | | | |
| Priority | \$ 290.92 | \$ 305.87 | \$ 329.05 | \$ 357.94 | \$ 369.60 | \$ 361.57 | | |
| Economy | 333.02 | 350.85 | 376.76 | 412.09 | 423.59 | 415.35 | | |
| Composite Revenue/Shipment | \$ 303.32 | \$ 318.87 | \$ 342.83 | \$ 373.92 | \$ 385.61 | \$ 377.53 | | |
| Revenue/CWT | | | | | | | | |
| Priority | \$ 26.82 | \$ 28.11 | \$ 29.81 | \$ 32.79 | \$ 35.06 | \$ 35.14 | | |
| Economy | 35.50 | 37.33 | 39.28 | 43.26 | 45.16 | 44.21 | | |
| Composite Revenue/CWT | \$ 29.13 | \$ 30.51 | \$ 32.28 | \$ 35.59 | \$ 37.82 | \$ 37.66 | | |
| Avg. Daily Shipment Growth Rate | | | | | | | | |
| Priority | 12.6% | 4.3% | 3.2% | (3.8%) | (5.2%) | (9.9%) | | |
| Economy | 11.3% | 0.5% | (2.0%) | (3.7%) | (4.2%) | (6.4%) | | |
| Total shipments per day | 12.2% | 3.1% | 1.6% | (3.8%) | (4.9%) | (8.9%) | | |
| Revenue/Shipment YOY Growth Rate | | | | | | | | |
| Priority | 11.9% | 15.8% | 19.5% | 28.1% | 27.0% | 18.2% | | |
| Economy | 10.0% | 12.0% | 19.6% | 27.9% | 27.2% | 18.4% | | |
| Total Composite Revenue/Shipment | 11.3% | 14.4% | 19.3% | 28.0% | 27.1% | 18.4% | | |
| OPERATING WEEKDAYS ¹ | 65 | 62 | 62 | 65 | 65 | 62 | 61 | 65 |

1 - Operating weekdays for Q1 - Q4 FY24 are forecasted at 65, 62, 62, and 65 days respectively.

Unaudited. Differences may result due to rounding.

INFORMATIONAL NOTES APPENDIX

General comments

- *Other operating expenses predominantly includes costs associated with outside service contracts (such as facility services and cargo handling, temporary labor, and security), insurance, professional fees, and uniforms for all years presented.*
- *Return on Assets and Return on Equity are calculated on a rolling four-quarter basis for all years presented.*
- *Beginning in the first quarter of 2022, Ground Commercial average daily package volume statistics are calculated on a 5-day-per-week basis, while Home Delivery and Economy average daily package volume statistics are calculated on a 7-day-per-week basis. FY21 has been revised to conform to this presentation.*

Resegmentations/Restatements

- *Effective in the fourth quarter of 2020, the results of FedEx Custom Critical are included in the FedEx Express segment instead of in "Corporate, other, and eliminations." Prior periods were not revised.*
- *Effective in the first quarter of 2021, the results of FedEx Cross Border are included in the FedEx Express segment instead of in "Corporate, other, and eliminations." Prior periods were not revised.*
- *Beginning in the third quarter of 2021, amounts include the financial results of ShopRunner, Inc. ("ShopRunner"). Beginning in the first quarter of 2022, FedEx Dataworks (including ShopRunner) ("FedEx Dataworks") is an operating segment included in "Corporate, other, and eliminations."*

Business realignment costs

- *FY22 annual consolidated Business realignment costs include \$278 million (\$214 million, net of tax, or \$0.80 per diluted share) of costs associated with our workforce reduction plan in Europe. Q1 FY22 includes \$67 million (\$52 million, net of tax, or \$0.19 per diluted share), Q2 FY22 includes \$44 million (\$34 million, net of tax, or \$0.13 per diluted share), Q3 FY22 includes \$107 million (\$82 million, net of tax, or \$0.31 per diluted share) and Q4 FY22 includes \$60 million (\$46 million, net of tax, or \$0.18 per diluted share) in the FedEx Express segment.*
- *FY21 annual consolidated Business realignment costs include \$116 million (\$90 million, net of tax, or \$0.33 per diluted share) of costs associated with our workforce reduction plan in Europe. Q3 FY21 includes \$10 million (\$8 million, net of tax, or \$0.03 per diluted share) and Q4 FY21 includes \$106 million (\$82 million, net of tax, or \$0.30 per diluted share) in the FedEx Express segment.*

Goodwill and other asset impairment charges

- FY20 annual consolidated Goodwill and other asset impairment charges amounts include \$369 million (\$366 million, net of tax, or \$1.40 per diluted share) of goodwill and other asset impairment charges associated with the FedEx Office and FedEx Logistics operating segments in Q4 and \$66 million (\$50 million, net of tax, or \$0.19 per diluted share) of asset impairment charges associated with the decision to permanently retire certain aircraft and related engines at FedEx Express in Q2.

Legal matters

- FY22 annual consolidated Other operating expense amounts include \$210 million (\$160 million, net of tax, or \$0.60 per diluted share) of legal charges accrued in Q4 related to pre- and post-judgment interest incurred in connection with a legal matter involving FedEx Ground.

Integration expenses

- FY22 annual consolidated Operating Income amounts include integration expenses of \$132 million (\$103 million, net of tax, or \$0.39 per diluted share). These expenses are included in "Corporate, other, and eliminations" and FedEx Express results (\$115 million).
 - o Q1 amounts include integration expenses of \$29 million (\$23 million, net of tax, or \$0.08 per diluted share) – \$26 million in FedEx Express results.
 - o Q2 amounts include integration expenses of \$34 million (\$26 million, net of tax, or \$0.10 per diluted share) – \$27 million in FedEx Express results.
 - o Q3 amounts include integration expenses of \$29 million (\$23 million, net of tax, or \$0.08 per diluted share) – \$24 million in FedEx Express results.
 - o Q4 amounts include integration expenses of \$40 million (\$32 million, net of tax, or \$0.12 per diluted share) – \$38 million in FedEx Express results.
- FY21 annual consolidated Operating Income amounts include integration expenses of \$210 million (\$162 million, net of tax, or \$0.60 per diluted share). These expenses are included in "Corporate, other, and eliminations" and FedEx Express results (\$176 million).
 - o Q1 amounts include integration expenses of \$49 million (\$38 million, net of tax, or \$0.14 per diluted share) – \$37 million in FedEx Express results.
 - o Q2 amounts include integration expenses of \$48 million (\$36 million, net of tax, or \$0.13 per diluted share) – \$43 million in FedEx Express results.
 - o Q3 amounts include integration expenses of \$49 million (\$39 million, net of tax, or \$0.14 per diluted share) – \$41 million in FedEx Express results.
 - o Q4 amounts include integration expenses of \$64 million (\$49 million, net of tax, or \$0.18 per diluted share) – \$55 million in FedEx Express results.

Integration expenses (cont.)

- FY20 annual consolidated Operating Income amounts include integration expenses of \$270 million (\$209 million, net of tax, or \$0.80 per diluted share). These expenses are included in "Corporate, other, and eliminations" and FedEx Express results (\$222 million).
 - o Q1 amounts include integration expenses of \$71 million (\$55 million, net of tax, or \$0.21 per diluted share) – \$57 million in FedEx Express results.
 - o Q2 amounts include integration expenses of \$64 million (\$50 million, net of tax, or \$0.19 per diluted share) – \$49 million in FedEx Express results.
 - o Q3 amounts include integration expenses of \$72 million (\$56 million, net of tax, or \$0.21 per diluted share) – \$62 million in FedEx Express results.
 - o Q4 amounts include integration expenses of \$63 million (\$48 million, net of tax, or \$0.18 per diluted share) – \$54 million in FedEx Express results.

Mark-to-market retirement plans accounting adjustments

- FY22 annual consolidated Other retirement plan income amounts include a mark-to-market retirement plans loss of approximately \$1.6 billion (\$1.2 billion, net of tax, or \$4.49 per diluted share). Q4 amounts include a mark-to-market retirement plans loss of approximately \$1.3 billion (\$1.0 billion, net of tax, or \$3.83 per diluted share). Q2 amounts include a mark-to-market retirement plans net loss of approximately \$260 million (\$195 million, net of tax, or \$0.73 per diluted share) associated with terminating our TNT Express Netherlands Pension Plan.
- FY21 annual consolidated Other retirement plan income amounts include a mark-to-market retirement plans gain of approximately \$1.2 billion (\$895 million, net of tax, or \$3.33 per diluted share). Q4 amounts include a mark-to-market retirement plans gain of approximately \$1.2 billion (\$936 million, net of tax, or \$3.44 per diluted share). Q2 amounts include a mark-to-market retirement plans net loss of approximately \$52 million (\$41 million, net of tax, or \$0.15 per diluted share) associated with freezing our TNT Express Netherlands Pension Plan.
- FY20 annual consolidated Other retirement plan income amounts include a mark-to-market retirement plans loss of approximately \$794 million (\$583 million, net of tax, or \$2.22 per diluted share). This amount was incurred during the fourth quarter.

Loss on debt extinguishment

- FY21 annual consolidated Loss on debt extinguishment amounts include a loss on debt extinguishment of \$393 million (\$297 million, net of tax, or \$1.11 per diluted share) associated with our capital allocation strategy, including reducing outstanding debt. This amount was incurred during the fourth quarter.