



# Investor Presentation

Fourth quarter and fiscal year 2026  
June 25, 2026



# Forward-looking statements and non-GAAP financial measures

Certain statements in this presentation may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act, such as statements regarding future financial targets, business strategies, management's views with respect to future events and financial performance, and the assumptions underlying such 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 markets in which FedEx Freight operates; significant changes in the volumes of shipments transported through FedEx Freight's network, customer demand for FedEx Freight's various services, or the prices it obtains for its services; geopolitical developments and additional changes in international trade policies and relations; the price and availability of fuel; failure to successfully implement FedEx Freight's business strategy and effectively respond to changes in market dynamics and customer preferences; FedEx Freight's ability to achieve some or all of the anticipated benefits from its spin-off from FedEx Corporation; the consequences of FedEx Freight no longer operating as part of a globally diversified company; dis-synergies and other costs incurred in connection with the spin-off exceeding FedEx Freight's estimates; the distribution of shares of FedEx Freight, together with certain related transactions, not qualifying for the intended tax treatment; a significant data breach or other disruption to FedEx Freight's technology infrastructure, and its ability to mitigate the technological, operational, legal, regulatory, and reputational risks related to emerging technologies such as autonomous technology and artificial intelligence ("AI"); increased insurance and claims expenses related to vehicle accidents, workers' compensation claims, property and cargo loss, general business liabilities, and benefits paid under employee disability programs; failure to receive or collect expected insurance coverage; the effect of any international conflicts or terrorist activities; failure of third-party service providers to perform as expected, or disruptions in FedEx Freight's relationships with those providers or their provision of services to FedEx Freight; widespread outbreak of an illness or any other communicable disease or public health crisis; damage to FedEx Freight's or FedEx Corporation's reputation or loss of brand equity; the intense competition within FedEx Freight's industry; FedEx Freight's ability to maintain good relationships with its employees and avoid attempts by labor organizations to organize groups of its employees; any effects on FedEx Freight's businesses resulting from evolving or new U.S. domestic or international government regulations, laws, policies, and actions; any liability resulting from and the costs of defending against litigation and governmental proceedings; the sufficiency of insurance coverage FedEx Freight purchases; the effect of technology developments (including AI and machine learning) on FedEx Freight's operations and on demand for its services, and FedEx Freight's ability to identify and eliminate unnecessary information technology redundancy and complexity throughout the organization, including exiting the transition service agreements with FedEx Corporation in the expected timeframe and at the expected cost; disruptions in global supply chains; constraints, volatility, or disruption in the global capital and credit markets; FedEx Freight's ability to maintain its current credit ratings and senior unsecured debt credit ratings, its ability to meet credit agreement financial covenants; and other factors which can be found in FedEx Freight's press releases and filings with the SEC, including its information statement included as Exhibit 99.1 to its Current Report on Form 8-K that was filed with the SEC on May 13, 2026. Any forward-looking statement speaks only as of the date on which it is made. Neither FedEx Freight nor anyone else undertakes or assumes any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

See "GAAP to non-GAAP reconciliations" below for additional information on non-GAAP financial measures and reconciliations of non-GAAP financial measures to GAAP financial measures.

The financial targets and outlook provided herein and discussed during this presentation assume the company's current economic outlook and fuel price expectations, and no additional adverse economic, geopolitical, or international trade-related developments. FedEx Freight's earnings per share and effective tax rate forecasts are based on current law and related regulations and guidance. Guidance discussed during this presentation was effective as of June 25, 2026. Nothing discussed during this presentation should be considered as confirming or disaffirming such guidance.

# Q4 and Full-Year FY26 highlights

- Reinforced *Safety Above All* culture, achieving record-low Department of Transportation (DOT) preventable accident performance in FY26
- Generated **\$2.4B revenue**, **\$363M adjusted operating income**, and **15.1% adjusted operating margin** in Q4, delivering a strong finish to the fiscal year
- Reported **\$8.8B revenue**, **\$1.1B adjusted operating income**, and **12.6% adjusted operating margin** for the full fiscal year 2026
- Successfully launched as a standalone LTL company on June 1** under ticker FDXF, positioned to redefine the standard in the LTL industry
- Strengthened commercial foundation with **100% of dedicated LTL sales force target hired**
- Launched **new website** and **fit-for-LTL pricing system**; successfully completed **Day 1 systems cutover**



# Delivered a strong finish to FY26

*Driving disciplined operational execution*

## Q4 FY26 Operational Results

**AVERAGE DAILY  
SHIPMENTS**

**87k**

-5.9% YoY

**WEIGHT PER  
SHIPMENT**

**948lbs**

+3.0% YoY

**REVENUE  
PER SHIPMENT**

**\$415.22**

+11.5% YoY

**REVENUE PER  
HUNDREDWEIGHT**

**\$43.79**

+8.2% YoY

## Commentary

- Volume trends remain soft but show signs of stabilization
- Higher revenue per shipment driven primarily by fuel and supported by higher weight per shipment
- Delivered best quarterly claims ratio in FedEx Freight history
- New, dedicated sales force integrating seamlessly to strengthen business partnerships and enhance customer relationships

# One network, two services, clear advantage

*Scaled and integrated network enables flexible and efficient mode shifting*

## PRIORITY OFFERING

# 1-3 Days

*Transit time; shorter average length of haul*

- ~40% faster than the nearest competitor<sup>1</sup>
- Speed-focused and time-sensitive deliveries
- Prioritized freight during peak operating windows
- Leverages linehaul network density for superior efficiency

## ONE NETWORK

# ~50%

*Customers that use a mix of both Priority and Economy offerings*



## ECONOMY OFFERING

# 3-6 Days

*Transit time; longer average length of haul*

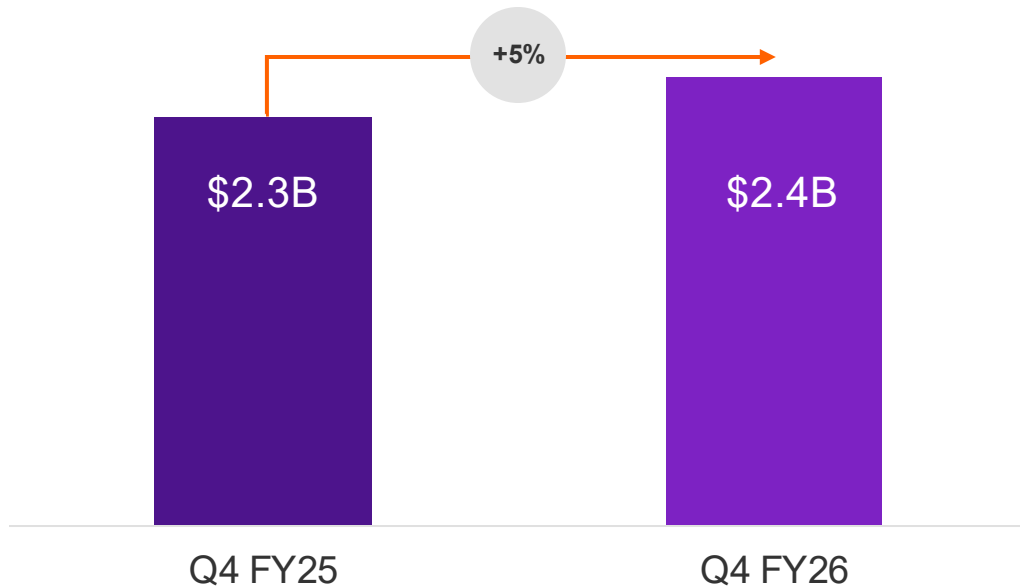
- Mode and cost optimization, driven by rail advantage
- Value-focused and flexible-time deliveries
- Spreads operations across daytime hub windows
- Efficiently maximizes utilization of doors, equipment, and drivers

***One sales force, same assets, greater flexibility – giving customers choice without compromising margins.***

# Maintaining commitment to profitability

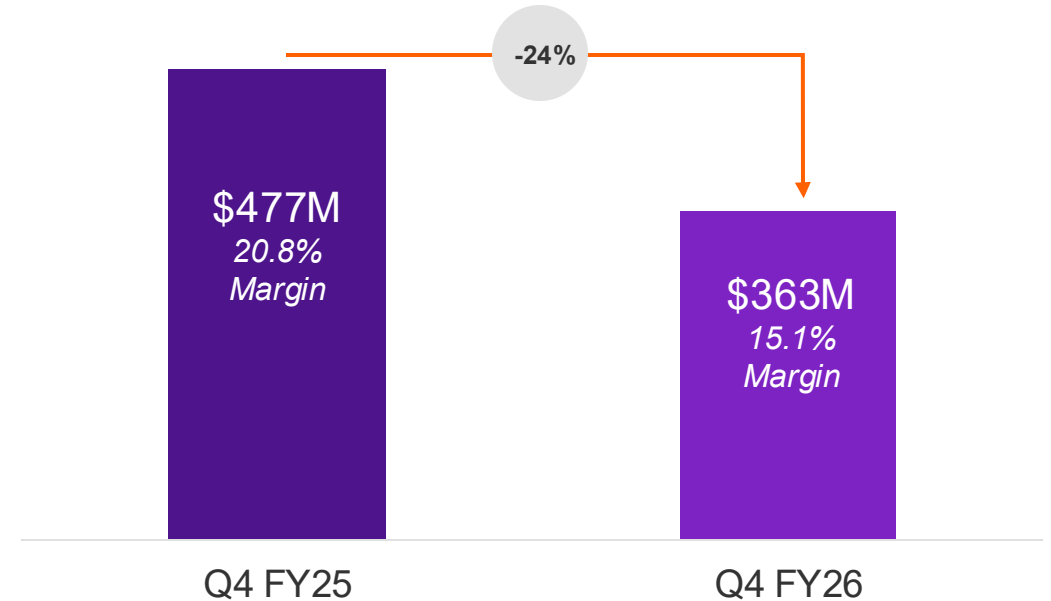
*Emphasis on revenue quality and enhanced customer experience*

## Revenue



- Reflects 11.5% YoY growth in revenue per shipment
- Driven by higher fuel prices and weight per shipment

## Adj. Operating Income



- Investing in fit-for-LTL sales force and technology
- Lapping \$33M prior-year gain from sale of a facility

# Outlook for transition period (TY26)

June 1 to December 31, 2026

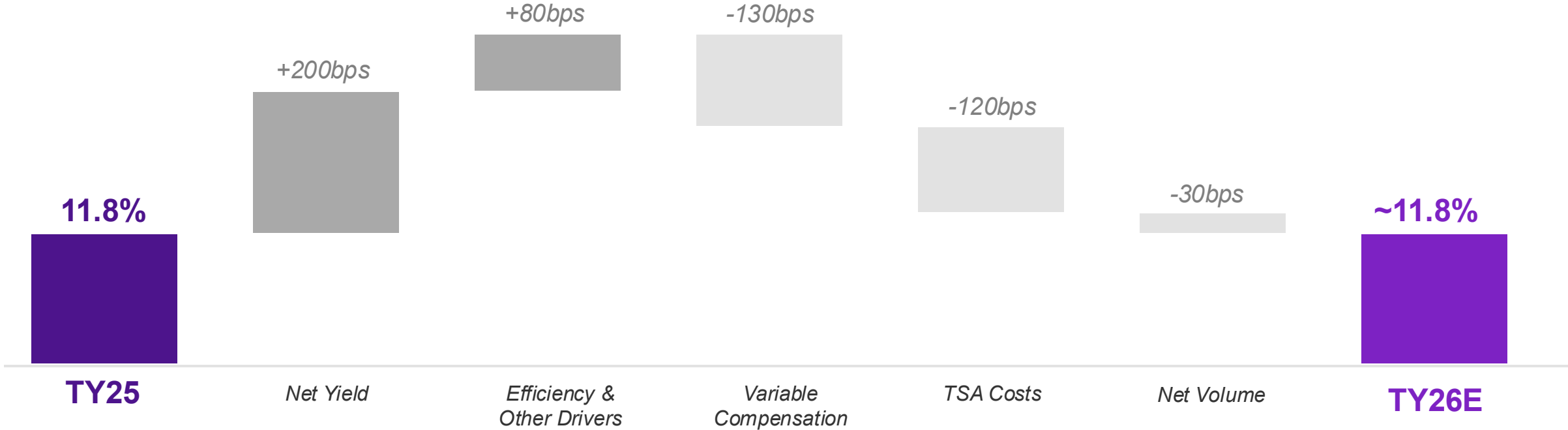
	<b>Seasonality</b>		<b>Guidance</b>
	Four months ending <b>Sept. 30, 2026</b>	Three months ending <b>Dec. 31, 2026</b>	Seven months ending <b>Dec. 31, 2026</b>
<b>REVENUE</b> <i>Growth YoY</i>	~60%	~40%	4% to 6% <sup>1</sup>
<b>ADJ. OP. INCOME</b>	~75%	~25%	\$605M to \$645M
<b>EFFECTIVE TAX RATE</b>	=	=	~26%
<b>ADJ. EPS</b>	~80%	~20%	\$2.40 to \$2.60

## Additional assumptions

- Expected results weighted toward the four months ending September 30, 2026, driven by timing and seasonality
- For the three months ending December 31, 2026, adj. operating income seasonality is expected to be negatively impacted by the number of business days and merit increases
- Interest expense of ~\$135M
- 149.5M shares outstanding<sup>2</sup>
- Investment in fit-for-LTL technology and separation TSAs to continue into 2027

# Illustrative adjusted operating margin bridge for TY26E

*Positioned to maintain solid margins through the transition period*



# Converting strength into outcomes

*This is the new FedEx Freight*

## WE HAVE

*Structural advantage*

- **Largest and fastest**<sup>1</sup> network
- **Best-in-class** service reliability
- **World-class** team



## WE ARE BUILDING

*Industry-leading execution*

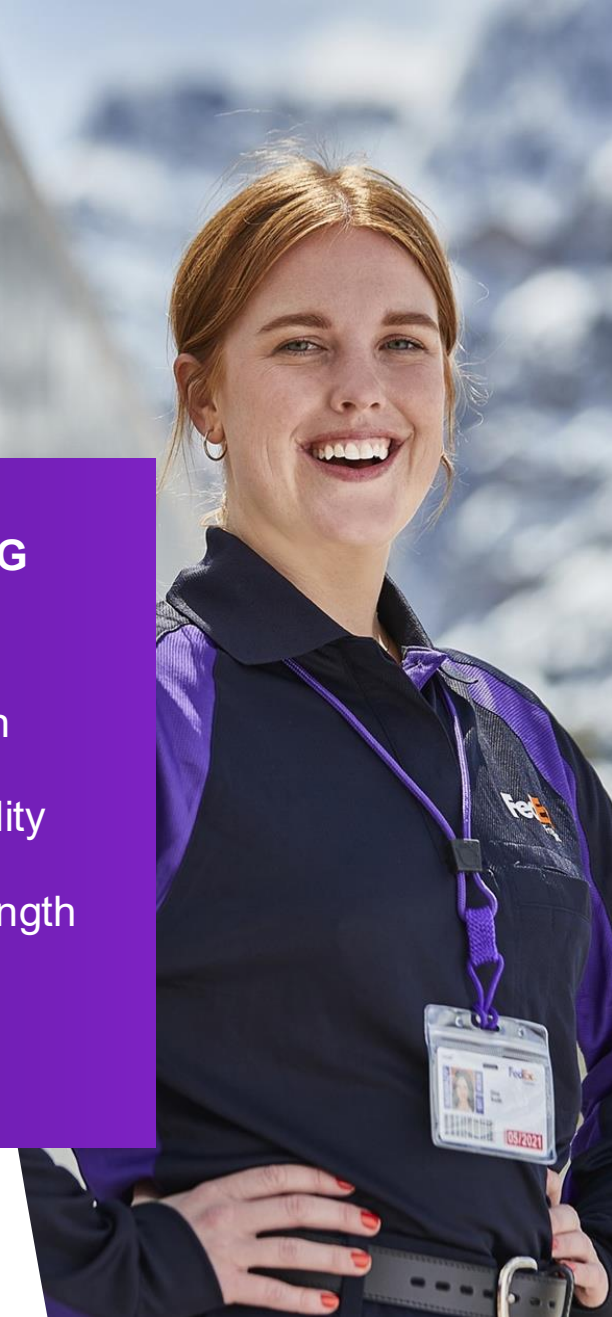
- **Improving** operational efficiency
- **Leading** commercial offering
- **Advanced** technology capabilities



## WE ARE DELIVERING

*Value creation*

- **High-quality** growth
- **Improving** profitability
- **Balance sheet** strength



# Upcoming key dates

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## BY MID-AUGUST 2026:

- **FedEx Freight FY26 10-K** filed with financial statements on a carve-out basis for the fiscal year ended May 31
  - Recast CY24 and CY25 historical financial statements issued on a carve-out basis
- 

## LATE-OCTOBER 2026:

- **FedEx Freight TY26 Earnings Call** for the three- and four-month periods ending September 30
- Recast historical financials issued for Q1 CY26 (quarter ended March 31) and Q2 CY26 (quarter ended June 30) on a carve-out basis

# Appendix

# Delivering the new FedEx Freight

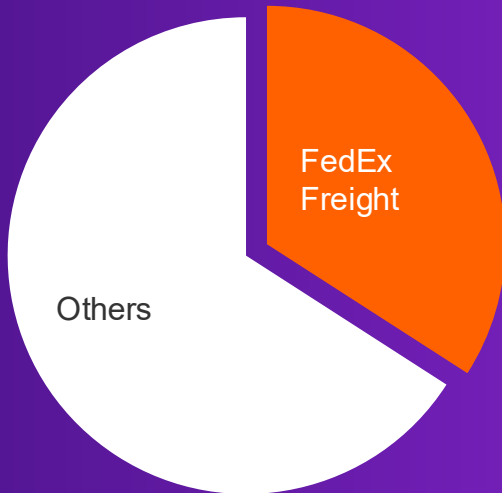


# Established leader in attractive LTL industry

*Firmly positioned to win, today*

## SUSTAINED LEADERSHIP IN LTL MARKET

Top 6 LTL carriers by volume<sup>1</sup>



### SCALE

**365+**

Total locations, including ~355 shipping terminals and ~10 linehaul relay sites

**26,000**

Service center doors

**30,000**

Motorized vehicles, including ~17,000 tractors

### SPEED

**40%**

Faster than our nearest competitor (Priority service)<sup>2</sup>

**~90%**

LTL volume can be delivered within 3 days or less

### SERVICE

**~90%**

Revenue from customers with tenure >10 years<sup>3</sup>

**DUAL**

Service offering, the only LTL carrier with both Priority and Economy

# Underpinned by a world-class, experienced team



**DEDICATED TEAM**

**40K**

*Number of team members at FedEx Freight*



**SKILLED DRIVER WORKFORCE**

**14+ Years**

*Average years of experience among FedEx Freight drivers*



**WORLD-CLASS, WINNING TEAM**

**112**

*FedEx Freight drivers at the 2025 National Truck Driving Championships; represented >50% of all award winners*



**DECADES OF EXECUTIVE LEADERSHIP EXPERIENCE**

**100+ Years**

*Collective experience in the LTL and transportation industry*

# Unlocking FedEx Freight's value

*Led by safety, driven by market-leading scale, published transit times, and service*

## OPTIMIZING THE NETWORK

- Smarter and more efficient infrastructure
- Lowering cost to serve
- Heightened productivity
- Increasing visibility through technology

## ADVANCING TECHNOLOGY CAPABILITIES

- Enabling operational and commercial outcomes
- Modernizing technology
- Future-proofing the business
- Scaling solutions to optimize performance



## LEADING COMMERCIAL OFFERING

- Industry-leading sales force
- Targeted go-to-market strategy
- Improving customer experience
- Higher-quality revenue growth

## FINANCIAL VALUE CREATION

- Accelerating profitable growth
- Free cash flow durability
- Disciplined capital allocation
- Compelling value for shareholders

# Optimizing FedEx Freight's network



# Firmly positioned to win, today

## Scale



- 365+ locations
- 26,000 doors
- 30,000 motorized vehicles
- All 50 U.S. states, Mexico, and Canada

## Speed



- ~90% of LTL volume can be delivered within 3 days or less
- Priority service is 40% faster than nearest competitor<sup>1</sup>

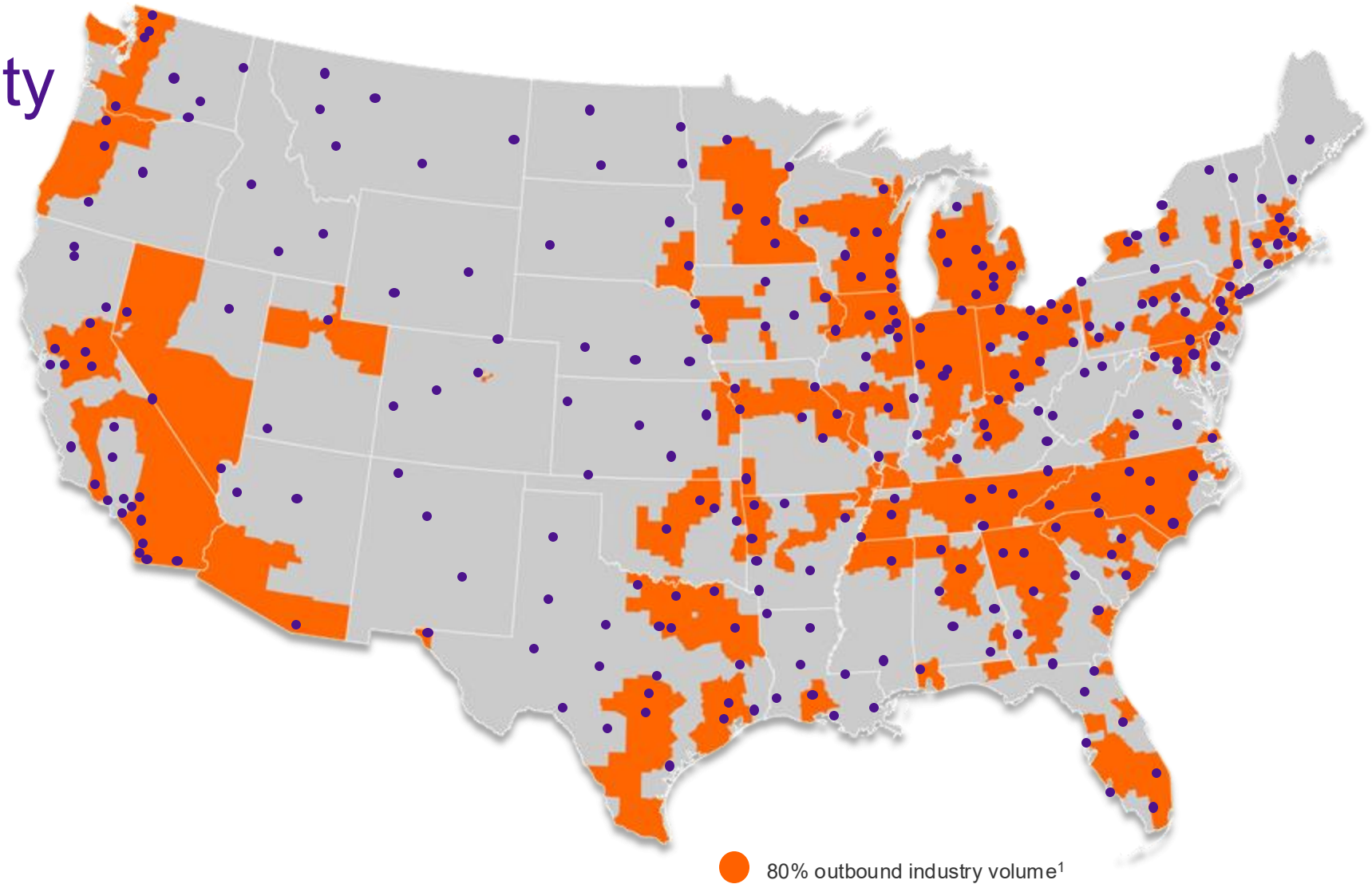
## Service



- Flexibility: dual-service offering choice between speed and cost
- Reliability: on-time and in-full
- Rail advantage

# Market-leading scale and density

- Concentrated in densest freight markets



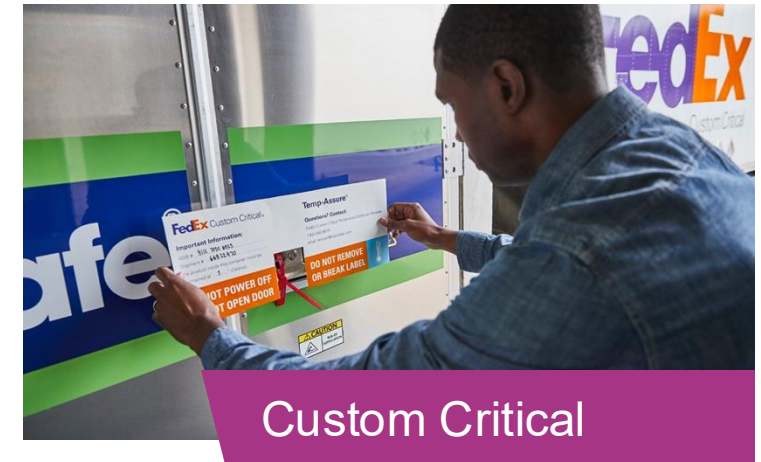
# Leading commercial offering



# Uniquely differentiated offering

*Versatile multi-pronged service network offers customers the choice to trade up for speed or maximize value*

## Core services



## Value-added capabilities

Volume Services

Retail Flex

Freight Direct

Priority Plus

Dimension-Based Pricing

# Long-term partner to stable, quality, and diverse customer base

**~140K**

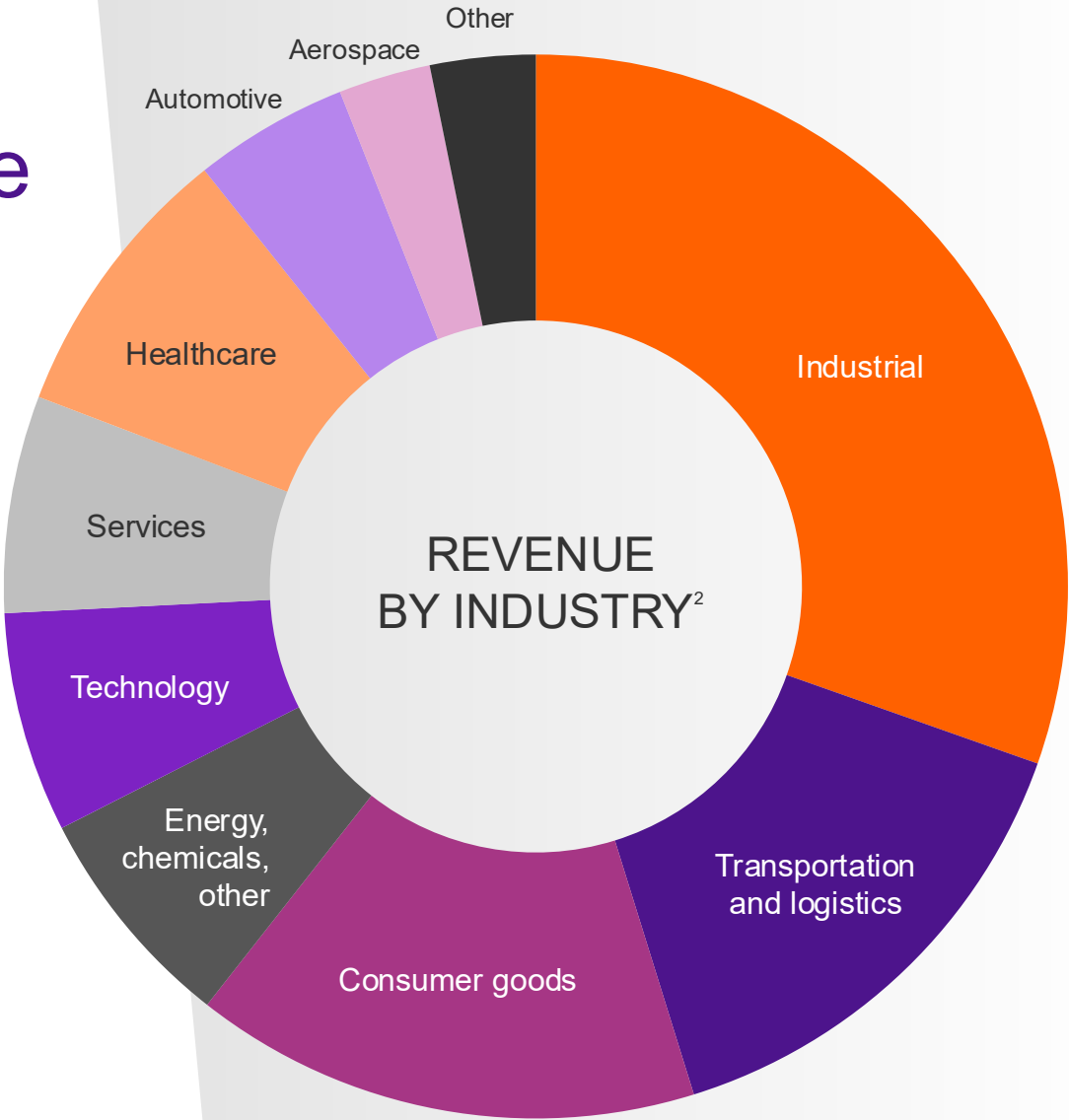
Active customers

**~17%**

Revenue from top 25 customers (FY26 YTD<sup>2</sup>)

**~90%**

Revenue from customers with tenure >10 years<sup>1,2</sup>



# Targeting high-quality revenue opportunities

## SMB



Empowering high-margin small and medium business growth through reliable shipping solutions that streamline logistics and expand reach

## Healthcare



Leveraging FedEx Custom Critical to lean more heavily into ~\$6B<sup>1</sup> Healthcare, Pharma, and Life Sciences opportunity where reliability and time-definite solutions are critical

## Grocery



Growing share within ~\$1B<sup>1</sup> channel by ensuring timely, temperature-controlled delivery across the supply chain

## Data centers & energy



Expanding share within the ~\$2B<sup>1</sup> addressable market, supporting demand for infrastructure, Cloud/AI buildouts with white-glove, time-definite services

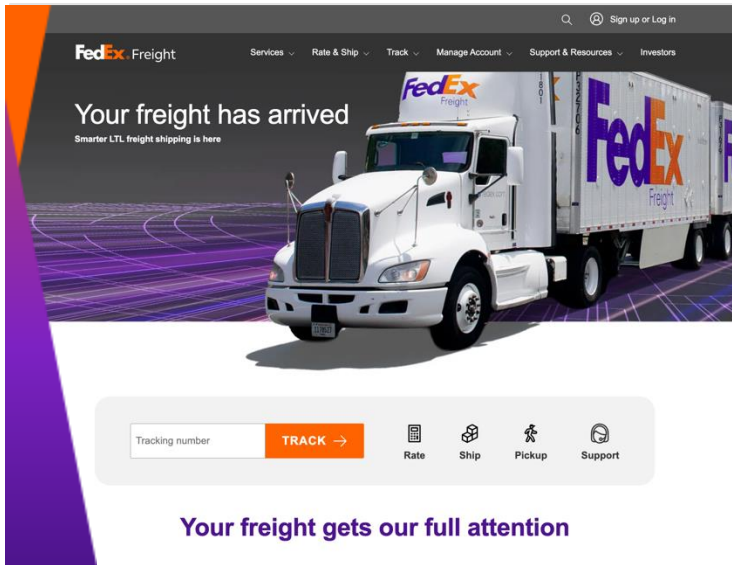
# Advancing technology capabilities



# Our business-led technology strategy

*Designed to deliver for our customers and bring the FedEx Freight strategy to life*

## Simplify



Streamline tech stack, maintain service continuity, position for spin

## Enhance



Improve customer experience by Day 1, strengthen capabilities, and modernize

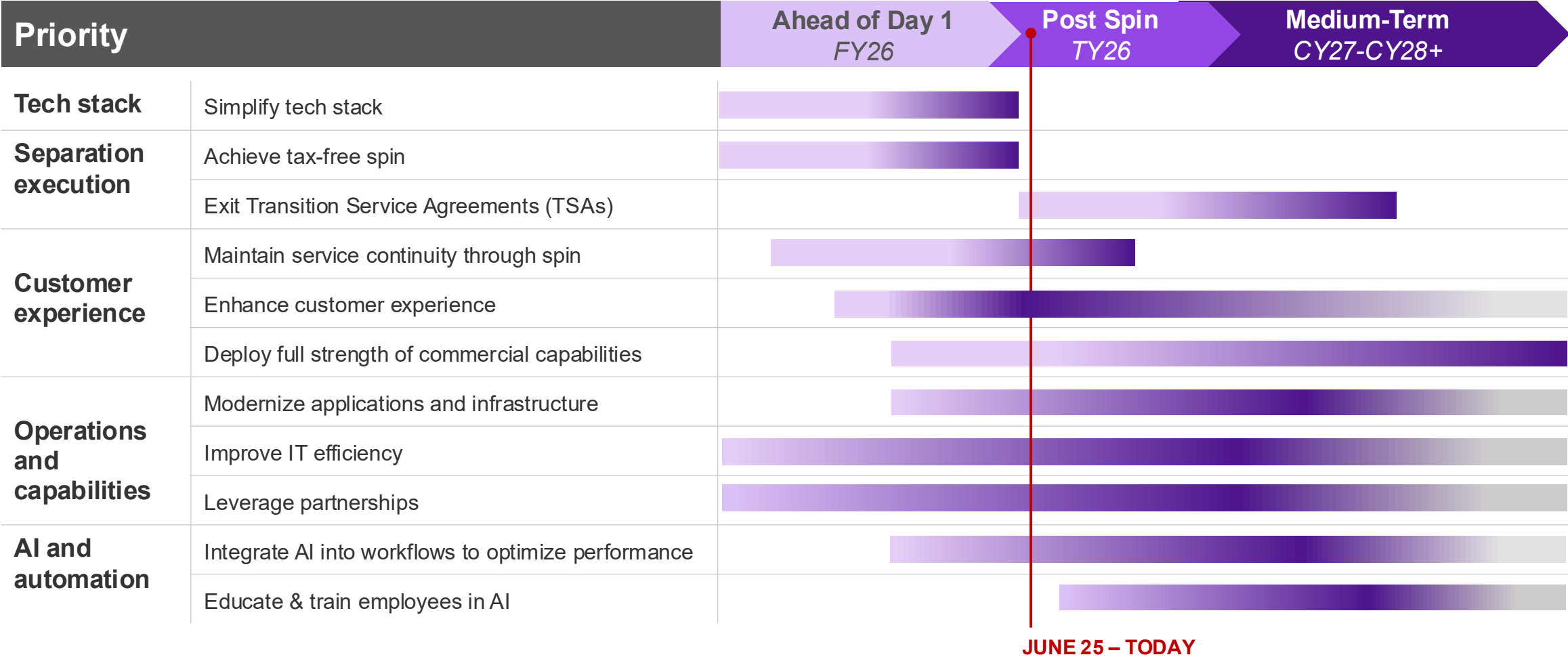
## Enable



Leverage AI and partnerships for further modernization and enable commercial and operational strategies

# Priorities through spin and beyond

*Building the future of logistics with cutting-edge technology*



# Financial value creation

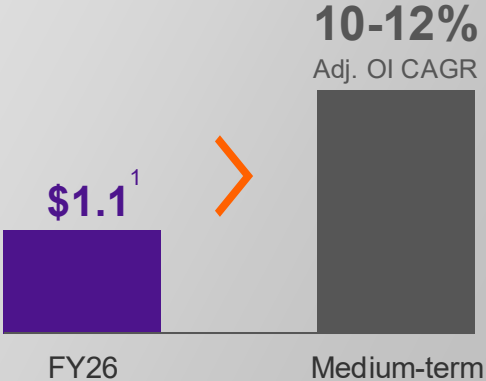


# Committed to high-quality growth

## REVENUE (\$B)



## ADJUSTED OPERATING INCOME (\$B)



Accelerating profitable growth by leveraging strength across four key areas...



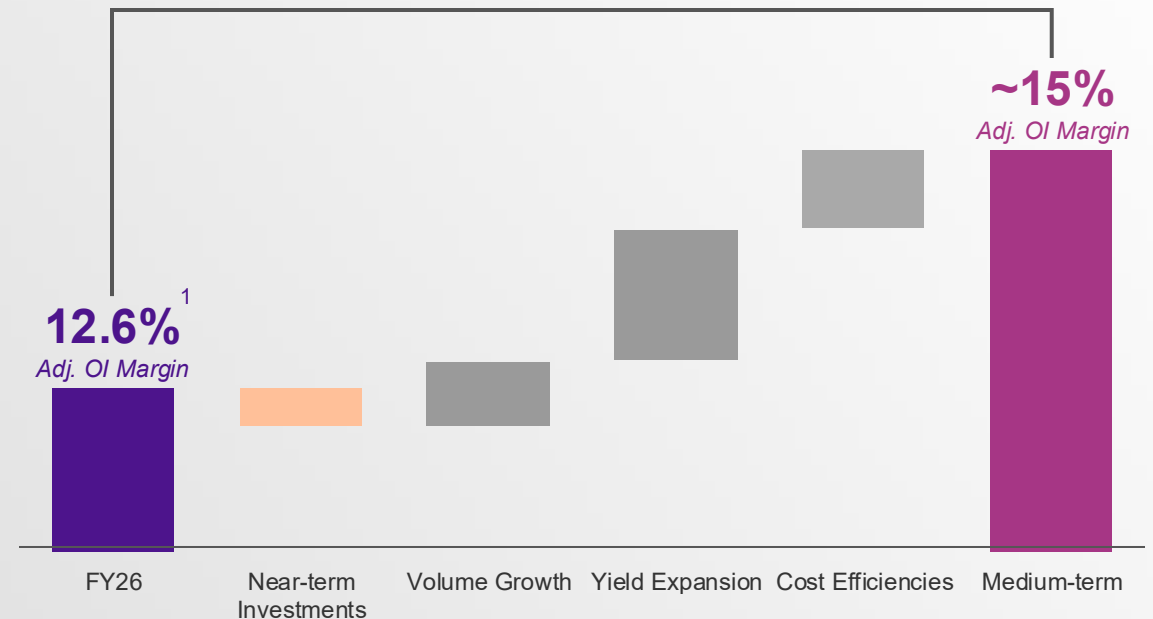
<sup>1</sup> As reported in the FedEx Freight segment results of FedEx Corporation and not presented on a carve-out basis. See "GAAP to non-GAAP reconciliations" for reconciliations of and additional information regarding non-GAAP financial measures.

# Driving operating leverage

## Key levers to improve operating leverage

- Investments in LTL-focused capabilities, automation, and technology will drive operating leverage over time
- Enhancing customer mix through the addition of higher-yielding customers
- Focused on ongoing efficiency initiatives and improving cost to serve
- Expedite Transition Service Agreement (TSA) exits to accelerate modernization and automation initiatives

## Adjusted operating margin (%)



# Capital allocation framework

Designed to grow ROIC and generate returns above cost of capital

## FCF GENERATION

**>\$1.0B**

Expected annual FCF generated in medium-term

## FCF CONVERSION

**>90%**

Expected net income to FCF conversion in medium-term

1

### Invest in organic growth

Maintaining capex at ~5% of revenue over the medium-term

2

### Reduce outstanding debt

Gross leverage ratio expected to decrease to ~2.5x within 12 months of spin-off

3

### Maximize return of capital to shareholders

Establishing framework for solid dividends and repurchases to offset share dilution

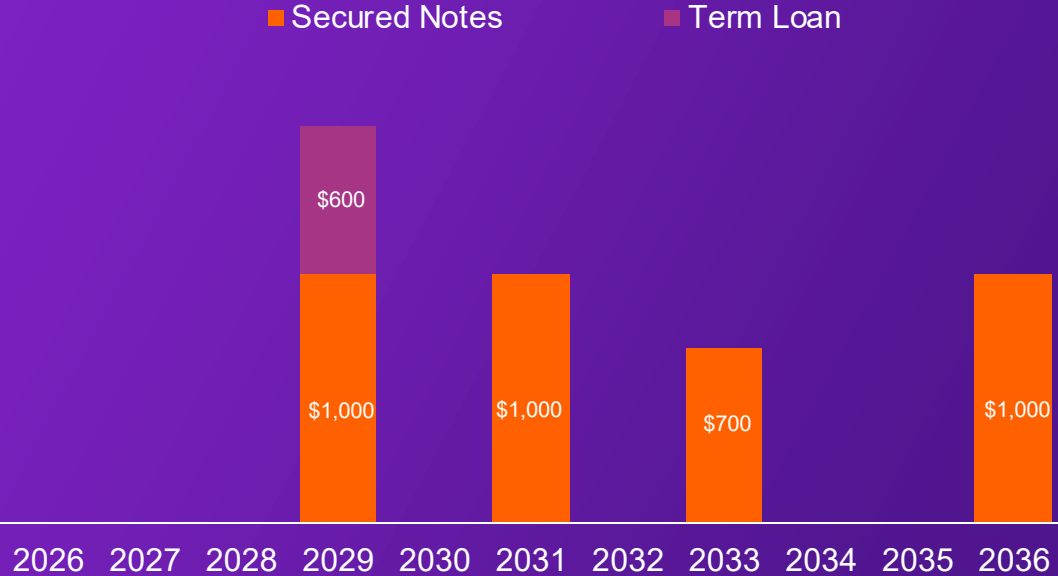
4

### Evaluate accretive M&A

Stringent M&A criteria, ensuring potential transactions drive shareholder value

# Strong, investment-grade balance sheet

## LONG-TERM DEBT MATURITY SCHEDULE<sup>1</sup> (\$M)



### WEIGHTED AVG. COST OF DEBT

**4.79%**

Weighted average interest rate for debt outstanding on June 1, 2026

### ANNUAL INTEREST EXPENSE<sup>2</sup>

**~\$200M**

Expected annualized interest expense for Secured Notes and Term Loan<sup>2</sup>

### SIGNIFICANT LIQUIDITY

**~\$1.5B**

\$250M in cash + \$1,200M undrawn revolver on June 1, 2026

### GROSS LEVERAGE RATIO

**~2.5x**

Anticipated gross leverage ratio within 12 months of spin

<sup>1</sup> Does not include \$1,200M of undrawn revolving credit facility that matures in 2031.  
<sup>2</sup> Amount represents the annualized interest expense for amounts outstanding as of June 1, 2026.  
 See "GAAP to non-GAAP reconciliations" for reconciliations of and additional information regarding non-GAAP financial measures.  
 Gross leverage ratio is calculated by dividing gross debt by trailing twelve-month adjusted EBITDA.

# GAAP to non-GAAP reconciliations



# Non-GAAP financial measures

The FedEx Freight Segment results as reported by FedEx Corporation are reported in accordance with accounting principles generally accepted in the United States (GAAP). FedEx Freight has supplemented these GAAP results and its outlook with certain non-GAAP (adjusted) financial measures. These non-GAAP financial measures are intended to supplement, and should be read together with, FedEx Freight's GAAP results. They should not be considered a substitute for, or superior to, reported financial results prepared in accordance with GAAP. Because non-GAAP financial measures are not standardized, they may not be comparable to similarly titled measures presented by other companies. As required by SEC rules, reconciliations of FedEx Freight's non-GAAP financial measures to the most directly comparable GAAP measures are provided below.

## Seven Months Ending December 31, 2026 Forecasts

FedEx Freight is unable to predict the amount of mark-to-market (MTM) retirement plan accounting adjustments for the seven months ending December 31, 2026, as such adjustments are significantly affected by changes in interest rates and financial market conditions. Accordingly, these adjustments are not included in FedEx Freight's seven months ending December 31, 2026 earnings per share (EPS) and effective tax rate (ETR) forecasts, and a reconciliation of these forecasts to the most directly comparable GAAP measures is impracticable. It is reasonably possible that MTM retirement plan accounting adjustments could have a material effect on FedEx Freight's seven months ending December 31, 2026 financial results and ETR. The tables below outline the estimated effects of the items excluded from FedEx Freight's EPS forecast, other than MTM retirement plan accounting adjustments.

## Medium-Term Outlook and Gross Leverage Ratio

FedEx Freight has provided a medium-term outlook for adjusted operating income and adjusted operating margin growth, free cash flow generation, and net income to free cash flow conversion; and its outlook for gross debt divided by the trailing twelve-month adjusted earnings before interest, taxes, depreciation, and amortization ("adjusted EBITDA") as of May 31, 2027. FedEx Freight does not provide reconciliations of its medium-term adjusted operating income, adjusted operating margin, or free cash flow outlook or adjusted EBITDA for the trailing twelve months of May 31, 2027 to the most directly comparable GAAP measures because it is unable to provide a meaningful or accurate calculation or estimation of reconciling items without unreasonable effort. These items are inherently uncertain and depend on various factors, many of which are beyond the company's control, and as such, any associated estimate and its impact on FedEx Freight's GAAP financial measures could vary materially.

While FedEx Freight views free cash flow as cash provided by operating activities less capital expenditures, free cash flow is not defined under GAAP. Therefore, FedEx Freight's medium-term free cash flow generation and net income to free cash flow conversion outlook should not be considered a substitute for income or cash flow data prepared in accordance with GAAP and may not be comparable to similarly titled measures used by other companies. It should not be inferred that FedEx Freight's free cash flow represents amounts available for discretionary expenditures.

# Reconciliations of GAAP to non-GAAP financial measures

## Fourth Quarter and Full Fiscal 2026 Segment Results

<i>Dollars in millions</i>	Three Months Ended May 31,		Twelve Months Ended May 31,	
	2026		2026	
	Operating Income	Operating Margin	Operating Income	Operating Margin
<b>GAAP measure</b>	\$ 158	6.6 %	\$ 616	7.0 %
Spin-off costs	205	8.5 %	492	5.6 %
<b>Non-GAAP measure</b>	\$ 363	15.1 %	\$ 1,108	12.6 %

# Reconciliations of GAAP to non-GAAP financial measures

## Seven Months Ended December 31, 2025 Carve-Out Results

	Seven Months Ended December 31,	
	2025	
	Operating Income	Operating Margin
<i>Dollars in millions</i>		
<b>GAAP measure</b>	\$ 394	7.8 %
Spin-off costs	206	4.0 %
Non-GAAP measure	\$ 600	11.8 %

## Seven Months Ending December 31, 2026 Outlook

	Seven Months Ending December 31,	
	2026	
	Operating Income	Operating Margin
<i>Dollars in millions</i>		
<b>GAAP measure</b>	\$ 475 to 515	9.0 to 9.5 %
Spin-off costs	130	2.5 %
Non-GAAP measure	\$ 605 to 645	11.5 to 12.0 %

# Reconciliations of GAAP to non-GAAP financial measures

## Seven Months Ending December 31, 2026 Outlook

*Dollars in millions, except EPS*

	Adjustments	Diluted Earnings per Share
<b>Diluted earnings per share before MTM retirement plan accounting adjustments (non-GAAP)<sup>1</sup></b>		<b>\$ 1.75 to 1.95</b>
Spin-off costs	\$ 130	
Income tax effect	(34)	
Net of tax effect	\$ 96	0.65
<b>Diluted earnings per share with adjustments (non-GAAP)<sup>1</sup></b>		<b>\$ 2.40 to 2.60</b>