



FedEx Freight Hosts Inaugural Investor Day Ahead of Planned Spinoff from FedEx

Leadership presents strategy to drive sustainable, profitable growth as an independent, focused leader in the North American LTL industry

FedEx Freight introduces a medium-term financial framework that prioritizes high-quality revenue, margin expansion, free cash flow generation, and disciplined capital management

Separation remains on track for completion on June 1, 2026

MEMPHIS, Tenn. – April 8, 2026 – FedEx Freight will host its inaugural Investor Day at the New York Stock Exchange (NYSE) in New York City today, ahead of its planned spinoff from FedEx Corporation (NYSE: FDX).

Members of the FedEx Freight executive leadership team, led by incoming president and chief executive officer John Smith, will outline the company's advantaged positioning as the largest North American less-than-truckload (LTL) carrier and unique value proposition, compelling financial model, and strategy to unlock future profitable growth.

"We are pleased to introduce FedEx Freight as an independent public company to the investment community as we move closer to our next chapter," said John Smith, incoming president and chief executive officer. "As the largest pure-play LTL carrier in North America, we are combining our market-leading network scale, published transit times, and reliability with a differentiated service model to meet the evolving needs of our customers. Built on a culture of safety above all with 40,000 team members across North America, FedEx Freight is moving forward from a position of strength and a renewed focus and flexibility to build on our competitive advantages, accelerate our growth trajectory, and unlock our full potential."

"FedEx Freight is well-positioned to drive profitable growth through greater focus, disciplined capital allocation, and targeted investments in its network and technology," said Brad Martin, current executive chairman of the FedEx Corp. board of directors and incoming chairman of the board of FedEx Freight. "As a long-established leader in an attractive LTL market, FedEx Freight is committed to executing its focused strategy and creating sustainable long-term value for stockholders."

Delivering the New FedEx Freight

The company will outline four strategic priorities to deliver on its strategy as an independent company and achieve its financial goals:

- Optimizing the Network: LTL-focused operating model designed to drive efficiency through network optimization, fleet modernization, and lower cost-to-serve initiatives, with safety and service excellence at the forefront;
- Leading Commercial Offering: Differentiated commercial strategy that offers customers the flexibility to choose between superior transit times or more economic alternatives, a dedicated LTL salesforce, and targeted growth in attractive verticals, supported by simplified processes and an enhanced digital customer experience;

- Advancing Technology Capabilities: Modernized technology strategy that streamlines systems, strengthens data and analytics capabilities, and leverages automation and AI to enable commercial execution and optimize operational performance; and
- Financial Value Creation: Accelerating profitable growth, driving free cash flow durability, and maintaining a disciplined approach to capital allocation to unlock compelling value for stockholders.

Medium-Term Financial Outlook

The company is introducing a comprehensive medium-term financial framework with the following outlook:

<u>Financial Metric</u>	<u>Medium-Term Outlook¹</u>
Revenue Growth	4-6% CAGR
Adjusted Operating Income Growth	10-12% CAGR
CapEx to Revenue Ratio	~5%
Free Cash Flow Generation	>\$1.0 billion
Free Cash Flow Conversion	>90%

¹FY26 outlook used as baseline for CAGR

Webcast and Materials

The Investor Day will be streamed beginning at 9:00 a.m. ET / 8:00 a.m. CT on April 8 at ir.fedexfreight.com. Individuals may view the presentation and download the materials presented during the meeting. This news release contains only a short summary of some of the information presented and should be read in conjunction with the management presentations and other materials made available on the website.

Additional Information

FedEx Freight is expected to spin off from FedEx on June 1, 2026, subject to final approval from the FedEx Corporation Board of Directors and other customary conditions. FedEx Freight common stock is expected to be listed on the New York Stock Exchange under the ticker symbol "FDXF." The planned spinoff of FedEx Freight is intended to be tax-free for FedEx and FedEx stockholders for U.S. federal income tax purposes.

About FedEx Corp.

FedEx Corp. (NYSE: FDX) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce, and business services. With annual revenue of \$92 billion, the company offers integrated business solutions utilizing its flexible, efficient, and intelligent global network. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 500,000 employees to remain focused on safety, the highest ethical and professional standards, and the needs of their customers and communities. FedEx is committed to connecting people and possibilities around the world responsibly and resourcefully, with a goal to achieve carbon-neutral operations by 2040. To learn more, please visit fedex.com/about.

About FedEx Freight

FedEx Freight is North America's largest LTL carrier, delivering industry-leading published transit times, service levels, and reliability. FedEx Freight's service offerings – including Priority, Economy, and Direct – allow customers to balance speed and cost to meet their unique needs. FedEx Custom Critical, a subsidiary of FedEx Freight, provides expedited, time- and temperature-specific freight solutions, including Surface Expedite and White Glove Services,

available 24/7/365. With nearly 30,000 vehicles and 40,000 dedicated team members to support its unmatched network of approximately 365 locations, we ensure freight arrives safely, securely, and on time across all 50 U.S. states, Canada, Mexico, Puerto Rico, and the U.S. Virgin Islands. After the spin-off, FedEx Freight will operate as an independent company, leveraging operational efficiency, data-driven technology, and a focused sales organization to provide outstanding service.

Forward-Looking Statements and Non-GAAP Financial Measures

Certain statements in this press release may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act, such as statements regarding future financial targets, the planned tax-free full separation of the FedEx Freight business into a new publicly traded company, business strategies, management's views with respect to future events and financial performance, and the assumptions underlying such targets, expected cost savings, 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; our ability to successfully implement the spin-off and achieve some or all of its anticipated benefits, or if such benefits are delayed; the spin-off not being completed; the consequences of FedEx Freight no longer operating as part of a globally diversified company; costs of restructuring transactions or dis-synergies and other costs incurred in connection with the spin-off exceeding FedEx and FedEx Freight's estimates; the distribution of shares of FedEx Freight, together with certain related transactions, not qualifying for the intended tax treatment, in which case FedEx, its stockholders, and FedEx Freight could be subject to significant liabilities; 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's reputation or loss of brand equity; the intense competition within FedEx Freight's industry; FedEx Freight's ability to manage its network capacity and cost structure for capital expenditures and operating expenses, and match it to shifting and future customer volume levels; 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; 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, commercial paper ratings, and senior unsecured debt credit ratings, its ability to meet credit agreement financial covenants. and other factors which can be found in FedEx Corp.'s and its subsidiaries' press releases and filings with the Securities and Exchange Commission (SEC), including the registration statement on Form 10 filed by FedEx Freight Holding Company, Inc. and FedEx Corp.'s Annual Report on Form 10-K for the fiscal year ended May 31, 2025 and subsequent Quarterly Reports on Form 10-Q. Any forward-looking statement speaks only as of the date on which it is made. We do not undertake or assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

FedEx Freight reports its financial results in accordance with accounting principles generally accepted in the United States (GAAP or reported). The company supplements the reporting of its financial information determined in accordance with GAAP with certain non-GAAP (or adjusted) financial measures, including the medium-term outlook for FedEx Freight's adjusted operating income growth, free cash flow generation, and net income to free cash flow conversion. We do not provide a reconciliation of FedEx Freight's medium-term adjusted operating income or free cash flow outlook to the most directly comparable GAAP measures because we are 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 our control, and as such, any associated estimate and its impact on FedEx Freight's GAAP financial measures could vary materially. We present the compound annual growth rate of FedEx Freight's medium-term adjusted operating income outlook compared to its fiscal 2026 adjusted operating income outlook, which excludes estimated costs related to the spin-off of FedEx Freight from FedEx. Estimated costs related to the spin-off are excluded from FedEx Freight's medium-term adjusted operating income outlook because they are unrelated to FedEx Freight's core operating performance and to assist investors with assessing trends in its underlying businesses.

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.

FedEx Freight's non-GAAP financial measures are intended to supplement and should be read together with, and are not an alternative or substitute for, and should not be considered superior to, its reported financial results. Accordingly, users of FedEx Freight's financial statements should not place undue reliance on these non-GAAP financial measures. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. As required by SEC rules, the table below presents a reconciliation of FedEx Freight's fiscal 2026 adjusted operating income outlook to the most directly comparable GAAP measure:

(in millions)

Operating Income (GAAP Measure)
Estimated spin-off costs
Operating Income (Non-GAAP Measure)

FY26 Outlook

	\$600
	500
	\$1,100

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