



Investor Presentation

June + Q3 TY26 Earnings Call
October 29, 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, and the prices it obtains for its services; geopolitical developments and additional changes in international trade policies and relations; the price and availability of fuel and limitations on FedEx Freight's ability to recover fuel costs through surcharges; 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 "Spin-Off"); 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, and 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 Securities and Exchange Commission, including FedEx Freight's Annual Report on Form 10-K that was filed with the SEC on August 5, 2026 and subsequent quarterly reports on Form 10-Q. 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 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 October 29, 2026. Nothing discussed during this presentation should be considered as confirming or disaffirming such guidance.

June + Q3 TY 2026 highlights

Four months ended September 30, 2026

📍 Team



- **10 podium finishes** at the transportation industry's leading driver and technician competitions
- **Two drivers selected** for the Women In Trucking Image Team
- **Launched Employee Stock Purchase Plan**; ~14,000 eligible participants enrolled

📍 Customer



- Delivered **~98% pick-up reliability** and **~98% on-time service**
- **Reduced claims ratio to 0.43%**, reflecting improvements in customer experience¹
- **Improved in 17 of 28 Mastio survey attributes**, reflecting YoY progress²

📍 Profit



- Reported **\$3.3B revenue** and **\$2.15 adjusted diluted earnings per share**
- Delivered **\$510M adjusted operating income** and **15.5% adjusted operating margin**
- Generated **\$239M of free cash flow** and **repaid \$100M of debt** ahead of schedule

Unlocking FedEx Freight's value

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

OPTIMIZING THE NETWORK

- Claims ratio and filing frequency each improved by +20bps since 2022¹
- Achieved ~98% pick-up reliability and ~98% on-time service through September 2026
- Achieved >3% YoY improvement in cube utilization

ADVANCING TECH CAPABILITIES

- Delivered ~200bps YoY improvement in first-time invoice accuracy³
- Significantly improved first-call resolution to 92%
- Entered into strategic alliance to enhance AI and productivity efficiencies



LEADING COMMERCIAL OFFERING

- Improved monthly net revenue churn YoY, reflecting customer-focused mindset
- Positioning for greater penetration in high-value verticals outlined at Investor Day
- Delivered YoY improvements in key Mastio attributes, including overall NPS improvement²

FINANCIAL VALUE CREATION

- Generated \$239M in free cash flow, underscoring strength of operating model
- Reduced debt by \$100M, making progress toward achieving gross leverage ratio of ~2.5x
- Converting three key service centers from lease to own

Meaningful momentum during the transition period

Supported by deep commitment to operational excellence

TY2026 operational results

Four months ended Sept. 30

Three months ended Sept. 30

**AVERAGE DAILY
SHIPMENTS**

89k
-1.4% YoY

89k
-0.7% YoY

**REVENUE
PER SHIPMENT**
(\$ incl. fuel / \$ excl. fuel)

\$413.00 / \$318.23
+10.1% YoY / +1.6% YoY

\$412.05 / \$316.78
+9.5% YoY / +1.1% YoY

**REVENUE PER
HUNDREDWEIGHT**
(\$ incl. fuel / \$ excl. fuel)

\$44.03 / \$33.93
+8.6% YoY / +0.3% YoY

\$44.20 / \$33.98
+8.8% YoY / +0.4% YoY

**WEIGHT PER
SHIPMENT**

938 lbs
+1.3% YoY

932 lbs
+0.6% YoY

Commentary

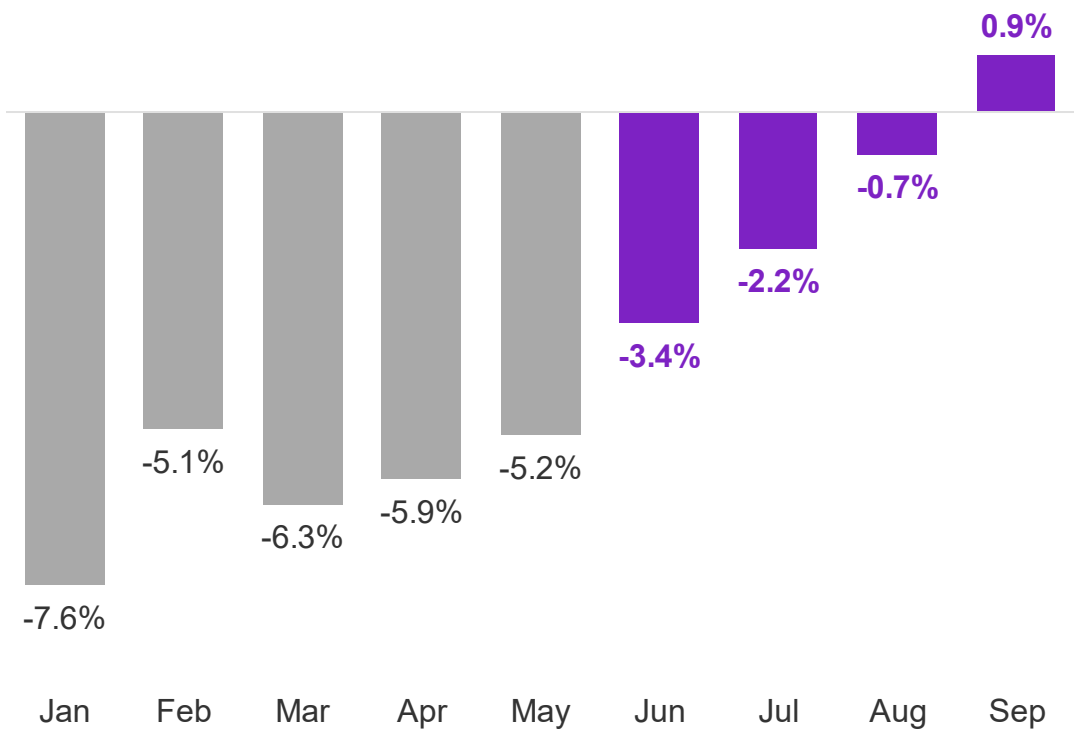
- Volume and base yield trends continue to show signs of stabilization, supported by focus on commercial priorities
- Yield metrics also benefited from higher fuel surcharge revenue
- Building momentum into 2027 through progress on technology and commercial initiatives

Stabilizing year-over-year volume and yield performance

Strong pricing renewals position FedEx Freight for future yield improvement

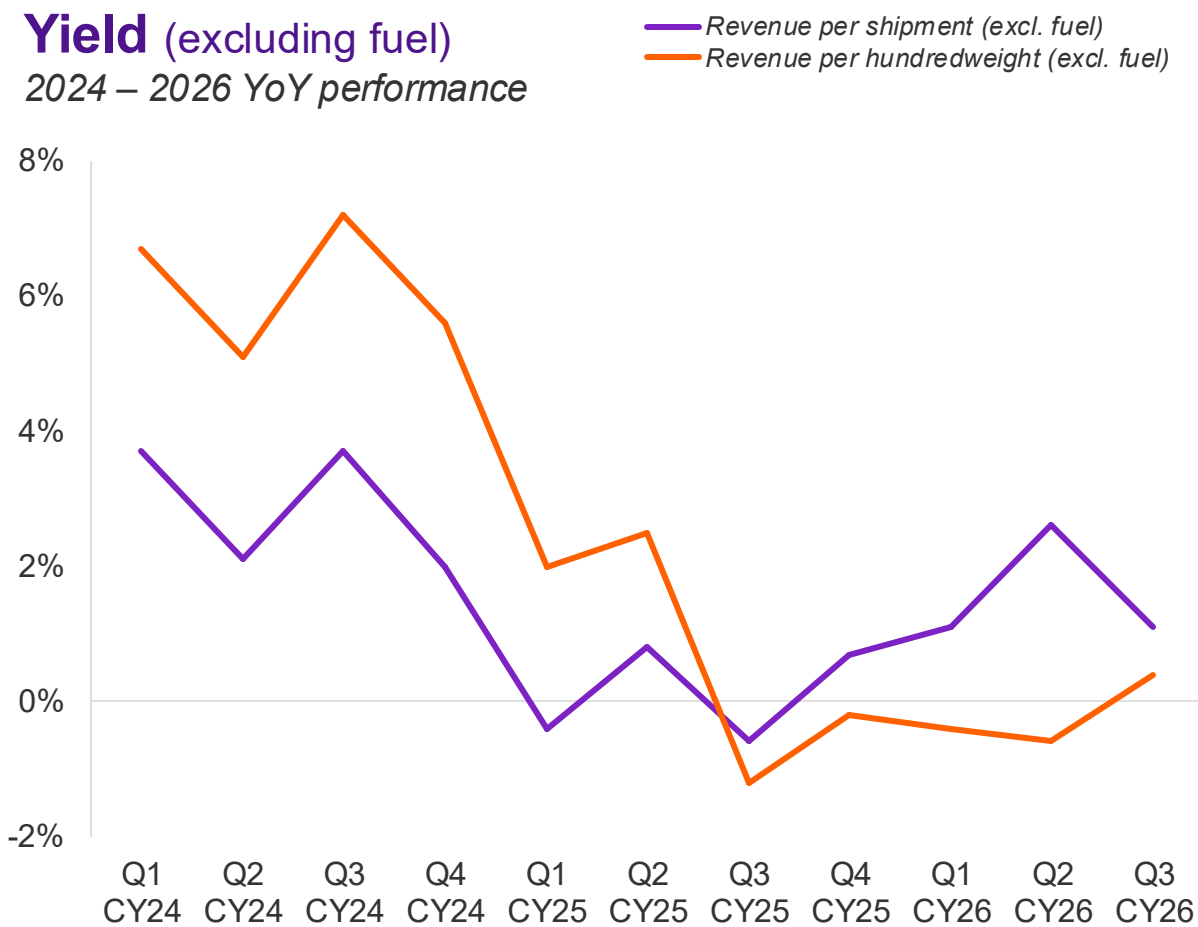
Average daily shipments

2026 YoY performance



Yield (excluding fuel)

2024 – 2026 YoY performance

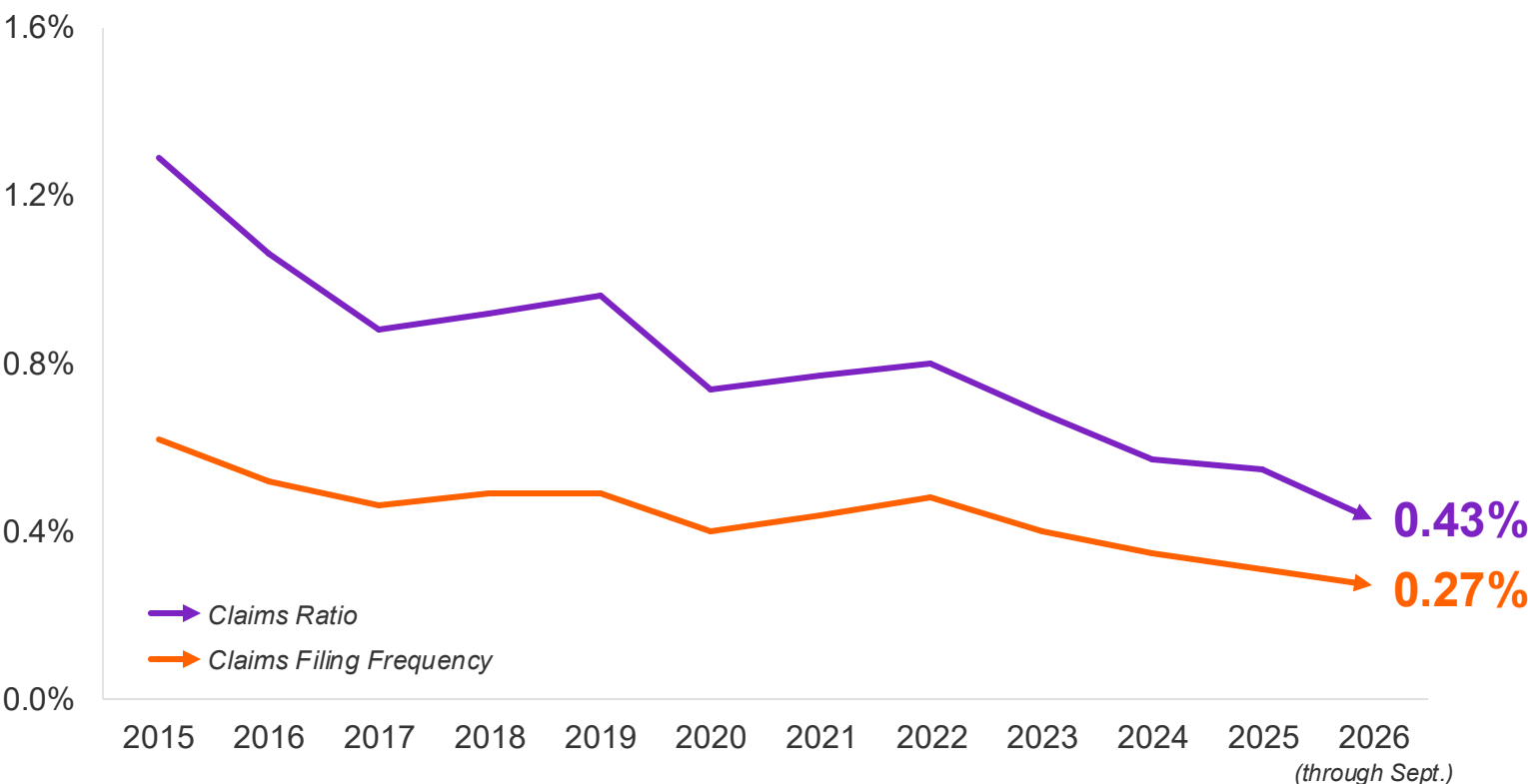


Improving service for our customers

Claims filing frequency and claims expense ratios at record lows

Customer claims filing frequency and claims ratio

Claims filed as % of total shipments and claims paid as % of revenue



ON-TIME SERVICE¹

~98%

Reinforcing the strength of our network and the runway to drive continued improvement

PICK-UP RELIABILITY¹

~98%

Reflecting disciplined operations and a dependable customer experience

CLAIMS IMPROVEMENT

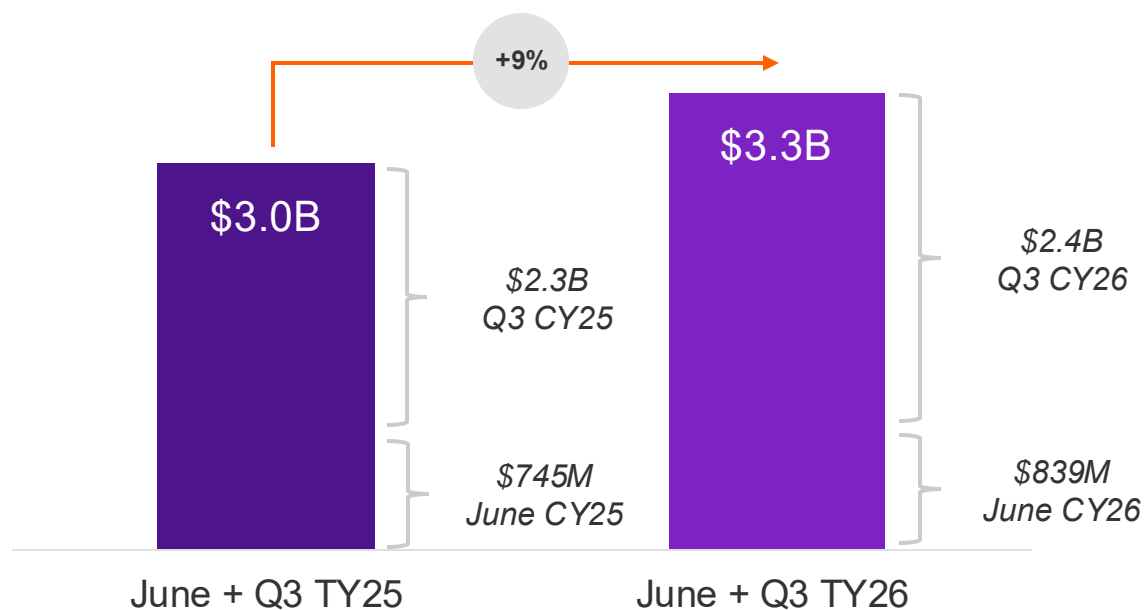
+20bps

Claims ratio and filing frequency improvement since 2022

Maintaining commitment to profitability

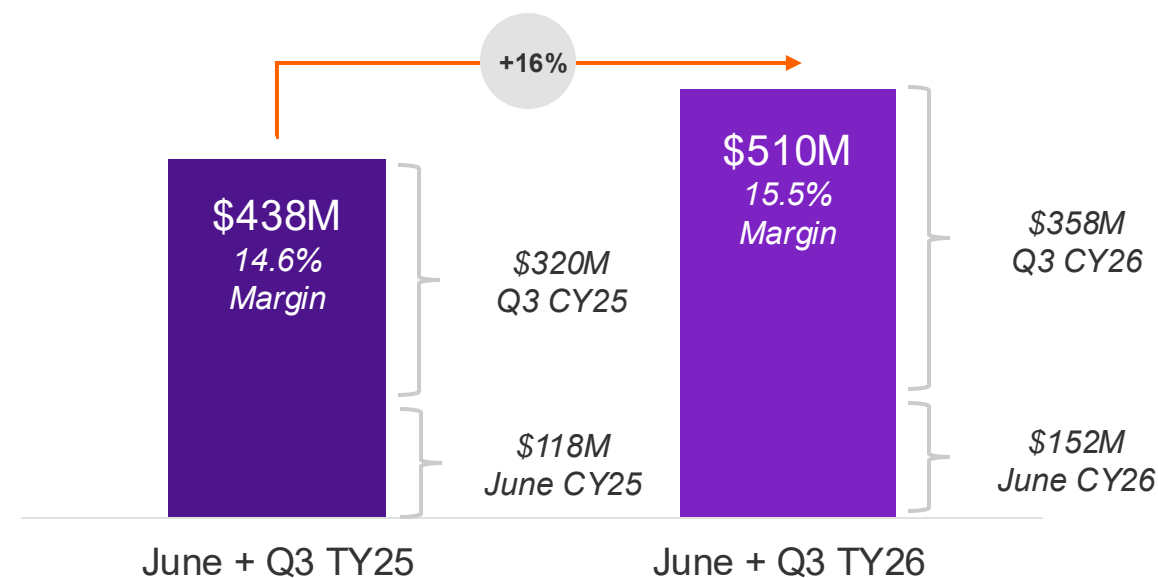
Strong financial performance during the four months ended September 30, 2026

Revenue



- Reflects 10.1% YoY growth in revenue per shipment
- Driven by higher fuel, one additional business day, and modest improvements in weight and base yield

Adj. operating income



- Solid net fall-through from higher fuel prices
- Continued investment in technology and standalone organization

Outlook for TY2026E

Seven months ending December 31, 2026

REVENUE (\$M)	\$5,580 to \$5,650
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ADJ. OPERATING INCOME (\$M)	\$695 to \$715
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EFFECTIVE TAX RATE	~27%
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ADJUSTED EPS (\$/share)	\$2.80 to \$2.90
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Additional assumptions

- Results through the first four months support an adjusted outlook above the seven-month guidance issued on June 25, 2026
- Adjusted operating income margin between 12.5% and 12.7%
- Interest expense of ~\$130M
- ~150M diluted shares outstanding¹

Outlook for Q4 TY2026E

Three months ending December 31, 2026

REVENUE (\$M)	\$2,300 to \$2,370
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ADJ. OPERATING INCOME (\$M)	\$185 to \$205
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EFFECTIVE TAX RATE	~27%
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ADJUSTED EPS (\$/share)	\$0.65 to \$0.75
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Additional assumptions

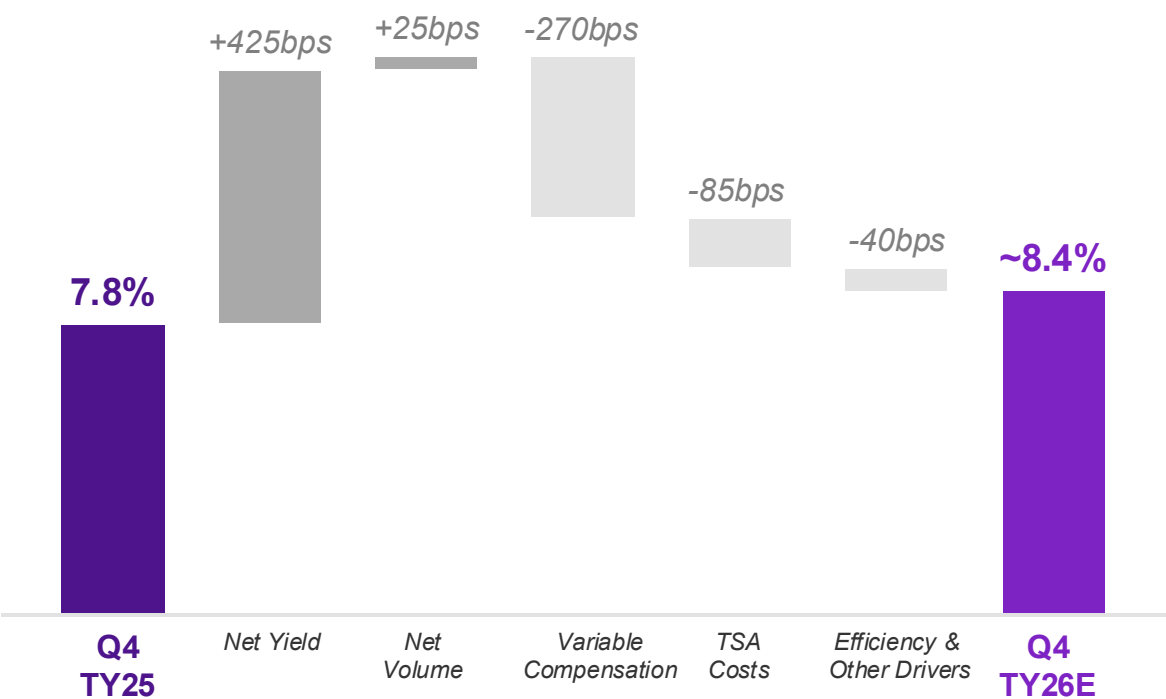
- Raising expectations from outlook issued on June 25, 2026
- Incorporating higher fuel expectations and early benefits from stabilizing volume and base yield
- Adjusted operating income margin between 8.0% and 8.6%
- Interest expense of ~\$55M
- ~150M diluted shares outstanding¹

Illustrative adjusted operating margin bridges for TY26E

Positioned to maintain solid margins through the transition period

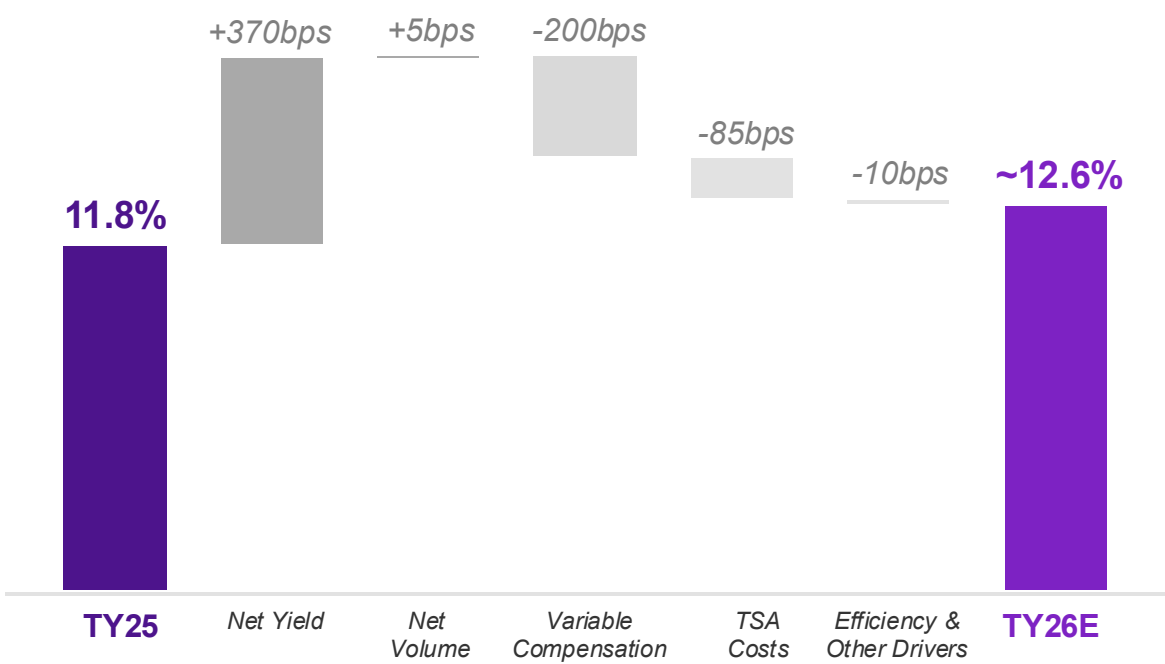
Outlook for Q4 TY26E

Three months ending December 31, 2026



Outlook for TY26E

Seven months ending December 31, 2026



Balanced capital allocation framework

Designed to grow ROIC and generate returns above cost of capital

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

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

FREE CASH FLOW

\$239M

*Generated during the four months ended
September 30, 2026*

CAPITAL DISCIPLINE

4.6%

*Capital expenditures as a percent of revenue
in four months ended September 30, 2026*

GROSS LEVERAGE RATIO

2.8x

*Total debt relative to trailing twelve-month
adj. EBITDA as of September 30, 2026*

SIGNIFICANT LIQUIDITY

\$1.6B

*\$388M in cash + \$1,200M undrawn
revolver on September 30, 2026*

Converting strength into outcomes

This is the new FedEx Freight

WE HAVE

Structural advantage

- **Largest and fastest**¹ network
- **Best-in-class** service reliability
- **World-class** team



WE ARE BUILDING

Industry-leading execution

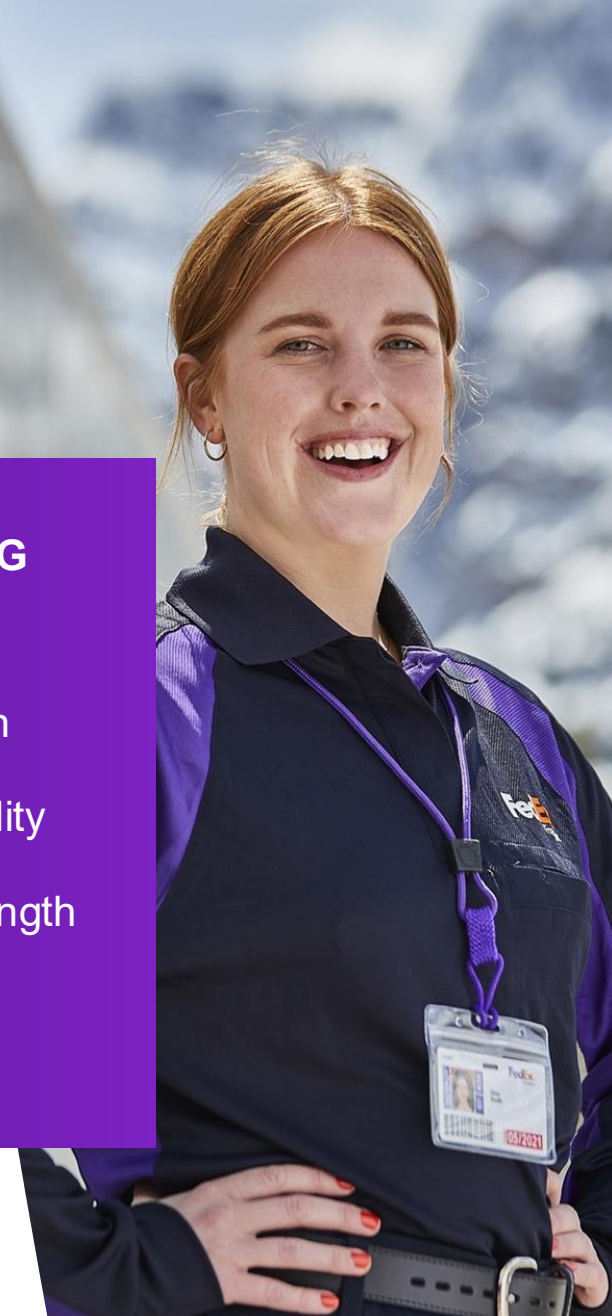
- **Improving** operational efficiency
- **Leading** commercial offering
- **Advanced** technology capabilities



WE ARE DELIVERING

Value creation

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



Upcoming key dates

JANUARY 2027:

- **Earnings Call** for the three and seven months ending December 31, 2026
-

FEBRUARY 2027:

- **TY26 10-KT** filed with financial statements for the transition period June 1 through December 31, 2026
-

APRIL 2027:

- **Earnings Call** for the three months ending March 31, 2027
-

MAY 5, 2027:

- **First Annual Meeting of Stockholders** (2027 Annual Meeting)

GAAP to non-GAAP reconciliations



Non-GAAP financial measures

FedEx Freight reports its results 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, including adjusted operating income, adjusted operating margin, composite revenue per shipment excluding fuel surcharges, composite revenue per hundredweight excluding fuel surcharges, free cash flow, gross leverage ratio, effective tax rate (ETR), and adjusted earnings per share (EPS).

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.

FedEx Freight's adjusted operating income, adjusted operating margin, and adjusted earnings per share are non-GAAP financial measures because they exclude the effects of costs related to the spin-off. FedEx Freight's revenue per shipment excluding fuel surcharges and revenue per hundredweight excluding fuel surcharges are non-GAAP financial measures because they exclude fuel surcharge revenue.

Free Cash Flow and Gross Leverage Ratio

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 free cash flow generation 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 calculates its gross leverage ratio as gross debt divided by the trailing twelve-month adjusted earnings before interest, taxes, depreciation, and amortization ("adjusted EBITDA"), which is not defined under GAAP. FedEx Freight excludes the effects of costs related to the spin-off in its calculation of adjusted EBITDA.

Medium-Term Outlook

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 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.

Three and 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 three and 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 three and 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 three and 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 forecasts, other than MTM retirement plan accounting adjustments.

Reconciliations of GAAP to non-GAAP financial metrics

Three Months Ended September 30, 2026 and 2025 Operating Income and Margin

	Three Months Ended		Three Months Ended	
	September 30, 2026		September 30, 2025	
	Operating income	Operating margin	Operating income	Operating margin
<i>Dollars in millions</i>				
GAAP measure	\$ 253	10.4 %	\$ 290	12.8 %
Spin-off costs	105	4.3	30	1.3
Non-GAAP measure	\$ 358	14.7 %	\$ 320	14.2 %

Four Months Ended September 30, 2026 and 2025 Operating Income and Margin

	Four Months Ended		Four Months Ended	
	September 30, 2026		September 30, 2025	
	Operating income	Operating margin	Operating income	Operating margin
<i>Dollars in millions</i>				
GAAP measure	\$ 383	11.7 %	\$ 408	13.6 %
Spin-off costs	127	3.9	30	1.0
Non-GAAP measure	\$ 510	15.5 %	\$ 438	14.6 %

Reconciliations of GAAP to non-GAAP financial metrics

One Month Ended June 30, 2026 Operating Income and Margin

Dollars in millions

	One Month Ended June 30, 2026	
	Operating income	Operating margin
GAAP measure	\$ 130	15.5 %
Spin-off costs	22	2.6
Non-GAAP measure	\$ 152	18.1 %

Four Months Ended September 30, 2026 Diluted Earnings Per Share

Dollars in millions, except EPS

	Operating		Income Taxes ¹	Net Income ²	Diluted Earnings Per Share
	Income	Margin			
GAAP measure	\$ 383	11.7 %	\$ 88	\$ 230	\$ 1.54
Spin-off costs	127	3.9	35	92	0.62
Non-GAAP measure	\$ 510	15.5 %	\$ 123	\$ 322	\$ 2.15

Note: tables may not sum to totals due to rounding

1. Income taxes are based on the company's approximate statutory tax rates applicable to each transaction.

2. Effect of "total other (expense) income" on net income amount not shown.

Reconciliations of GAAP to non-GAAP financial metrics

Trailing 12-Month EBITDA Reconciliation

	Trailing 12 Months Ended September 30, 2026
<i>Dollars in millions</i>	
Cash provided by operating activities (GAAP measure)	\$ (513)
Cash paid for interest	129
Cash paid for taxes	83
Cash paid for separation and other costs	473
Changes in working capital	1,726
Other noncash items including leases and deferred income taxes	(297)
Adjusted EBITDA (non-GAAP measure)	\$ 1,600

Reconciliations of GAAP to non-GAAP financial metrics

Three Months Ended for Calendar Years 2024, 2025, 2026

Revenue per Shipment

	Three Months Ended										
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026	September 30, 2026
Composite revenue per shipment (GAAP)	\$ 380.57	\$ 375.35	\$ 375.77	\$ 372.07	\$ 372.03	\$ 372.07	\$ 376.23	\$ 378.19	\$ 386.44	\$ 420.47	\$ 412.05
Fuel	66.13	63.32	60.63	58.46	58.84	57.63	62.88	62.47	69.67	97.73	95.27
Composite revenue per shipment excluding fuel surcharges (non-GAAP)	<u>\$ 314.44</u>	<u>\$ 312.03</u>	<u>\$ 315.14</u>	<u>\$ 313.61</u>	<u>\$ 313.19</u>	<u>\$ 314.44</u>	<u>\$ 313.35</u>	<u>\$ 315.72</u>	<u>\$ 316.77</u>	<u>\$ 322.74</u>	<u>\$ 316.78</u>

Three Months Ended for Calendar Years 2024, 2025, 2026

Revenue per Hundredweight

	Three Months Ended										
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026	September 30, 2026
Composite revenue per hundredweight (GAAP)	\$ 40.31	\$ 40.10	\$ 40.83	\$ 40.74	\$ 40.38	\$ 40.45	\$ 40.64	\$ 41.06	\$ 41.29	\$ 44.26	\$ 44.20
Fuel	7.00	6.76	6.59	6.40	6.39	6.27	6.80	6.78	7.45	10.29	10.22
Composite revenue per hundredweight excluding fuel surcharges (non-GAAP)	<u>\$ 33.31</u>	<u>\$ 33.34</u>	<u>\$ 34.24</u>	<u>\$ 34.34</u>	<u>\$ 33.99</u>	<u>\$ 34.18</u>	<u>\$ 33.84</u>	<u>\$ 34.28</u>	<u>\$ 33.84</u>	<u>\$ 33.97</u>	<u>\$ 33.98</u>

Reconciliations of GAAP to non-GAAP financial metrics

Four Months Ended September 30, 2026 and 2025 Revenue per Shipment

	Four Months Ended	
	September 30, 2026	September 30, 2025
Composite revenue per shipment (GAAP)	\$ 413.00	\$ 375.13
Fuel	94.77	61.95
Composite revenue per shipment excluding fuel surcharges (non-GAAP)	\$ 318.23	\$ 313.18

Four Months Ended September 30, 2026 and 2025 Revenue per Hundredweight

	Four Months Ended	
	September 30, 2026	September 30, 2025
Composite revenue per hundredweight (GAAP)	\$ 44.03	\$ 40.53
Fuel	10.10	6.70
Composite revenue per hundredweight excluding fuel surcharges (non-GAAP)	\$ 33.93	\$ 33.83

Reconciliations of GAAP to non-GAAP financial metrics

Three Months Ending December 31, 2026 Outlook and Three Months Ended December 31, 2025 Operating Income and Margin

	Three Months Ending December 31, 2026		Three Months Ended December 31, 2025	
	Operating Income	Operating Margin	Operating Income	Operating Margin
<i>Dollars in millions</i>				
GAAP measure	\$ 80 to 100	3.5% to 4.2%	\$ (14)	(0.7)%
Spin-off costs	105	4.6% to 4.4%	176	8.5 %
Non-GAAP measure	\$ 185 to 205	8.0% to 8.6%	\$ 162	7.8 %

Seven Months Ending December 31, 2026 Outlook and Seven Months Ended December 31, 2025 Operating Income and Margin

	Seven Months Ending December 31, 2026		Seven Months Ended December 31, 2025	
	Operating Income	Operating Margin	Operating Income	Operating Margin
<i>Dollars in millions</i>				
GAAP measure	\$ 465 to 485	8.3% to 8.6%	\$ 394	7.8 %
Spin-off costs	230	4.1%	206	4.1 %
Non-GAAP measure	\$ 695 to 715	12.5% to 12.7%	\$ 600	11.8 %

Reconciliations of GAAP to non-GAAP financial metrics

Four Months Ended September 30, 2026 and 2025 Free Cash Flow

Dollars in millions

	Four Months Ended	
	September 30, 2026	September 30, 2025
Cash provided by operating activities (GAAP)	\$ 390	\$ 1,085
Capital expenditures	(151)	(55)
Free cash flow (non-GAAP)	\$ 239	\$ 1,030

Reconciliations of GAAP to non-GAAP financial metrics

Three Months Ending December 31, 2026 Outlook

Dollars in millions, except EPS

	Adjustments	Diluted Earnings Per Share
Diluted earnings per share before MTM retirement plans accounting adjustments (non-GAAP) ¹		\$ 0.15 to 0.25
Spin-off costs	\$ 105	
Income tax effect	(29)	
Net of tax effect	\$ 76	0.50
Diluted earnings per share with adjustments (non-GAAP) ¹		\$ 0.65 to 0.75

Seven Months Ending December 31, 2026 Outlook

Dollars in millions, except EPS

	Adjustments	Diluted Earnings Per Share
Diluted earnings per share before MTM retirement plans accounting adjustments (non-GAAP) ¹		\$ 1.69 to 1.79
Spin-off costs	\$ 230	
Income tax effect	(63)	
Net of tax effect	\$ 167	1.11
Diluted earnings per share with adjustments (non-GAAP) ¹		\$ 2.80 to 2.90