



FedEx Corporation

(NYSE:FDX)

April 8th, 2026

Recommendation: **Short**

Share Price as of 04/08/2026: \$373.43

One Year Price Target: \$283.28 (-24.1% downside)

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Executive Summary



The Long/Short Portfolio is recommending introducing a short position on FedEx (NYSE:FDX) at a 04/08/2026 closing price of \$373.43 with a 1-year target price of **\$283.28 (-24.1% downside)**.

Key Theses Points

1. Rising Competition Depleting Market Share

- Due to a changing marketplace, FedEx is facing rapidly rising competition from large and small-scale competitors.

2. Execution Risk of Freight Spin-Off

- Spinning off FedEx Freight may unlock value, but it also introduces execution risk and weakens FedEx's integrated logistics model.

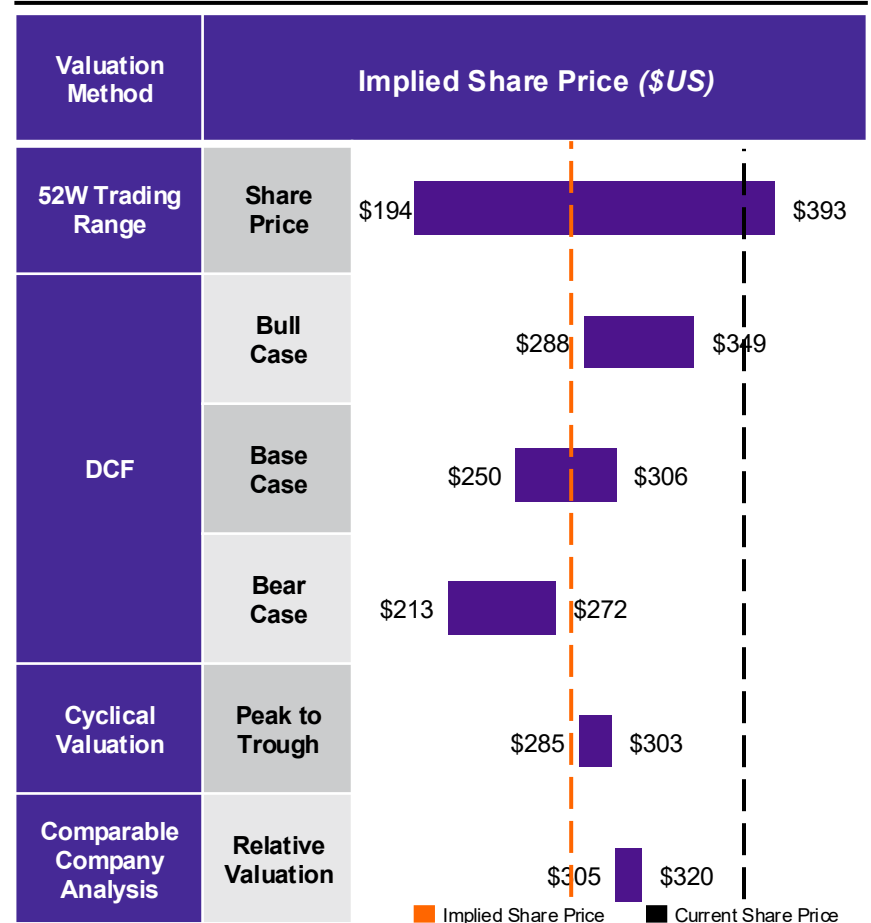
3. Cash Flow Pressure from an Aging Fleet

- With retirements outpacing replacements, fuel surges, and maintenance costs climbing, FedEx faces a structural cost problem.

Recommendation

- The Long/Short Portfolio recommends a short position on FedEx Corporation.
- 04/08/2026 closing share price of **\$373.43**.
- 1-year target price of **\$283.28 (-24.1% downside)**.

Football Field



Company Introduction



FedEx runs a large, complex global logistics network where performance depends heavily on execution, cost control, and sustained demand.

Company Overview

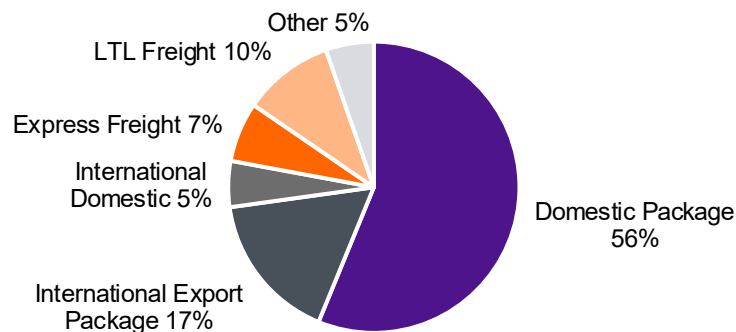
- **Founded in 1971**, FedEx runs a global transportation and logistics network for air, ground, and freight services, focusing on parcel delivery.
- **Headquartered in Memphis, TN**, FedEx serves: consumers, e-commerce, small, medium, and large enterprises globally.
- **Asset-intensive model** makes performance sensitive to demand trends, cost control, and operational execution.

Management

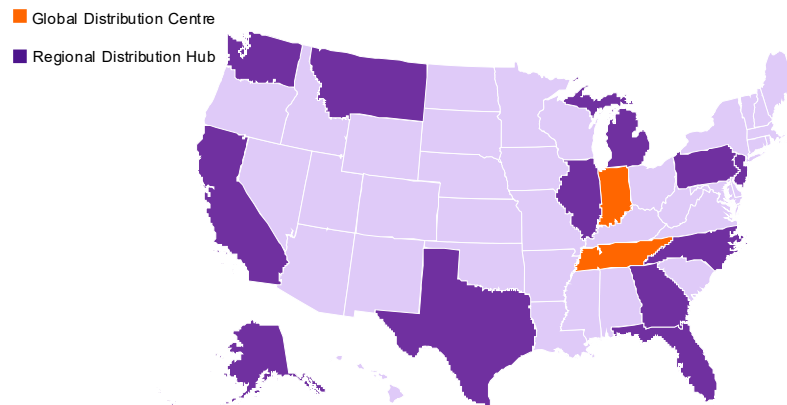


Raj Subramaniam Pres. & CEO	John Dietrich EVP & CFO	Scott Ray COO	R. Brad Martin Chair of BOD
More than 30 years with FedEx, president since 2019.	Over 30 years of industry experience, EVP & CFO since 2023.	More than four decades with FedEx, became COO in 2024.	Member of BOD since 2011, previous position as chair of BOD.

Revenue Breakdown by Segment



The Hub and Spoke Model

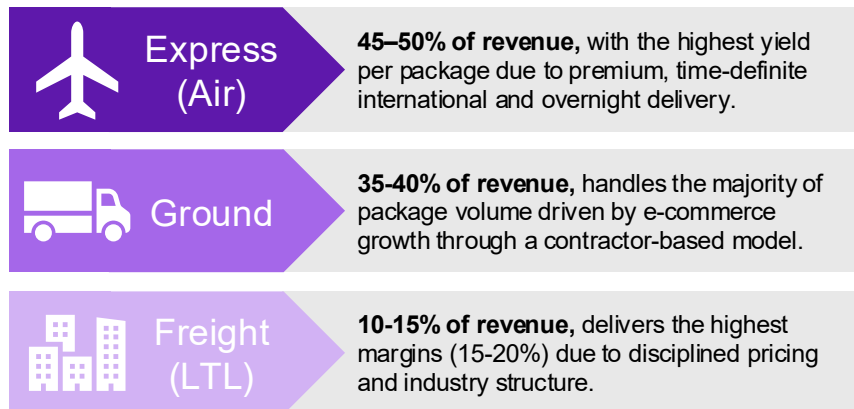


Business Model & Strategic Objectives



FedEx operates a globally integrated logistics network, monetizing deliveries across air, ground, and freight services.

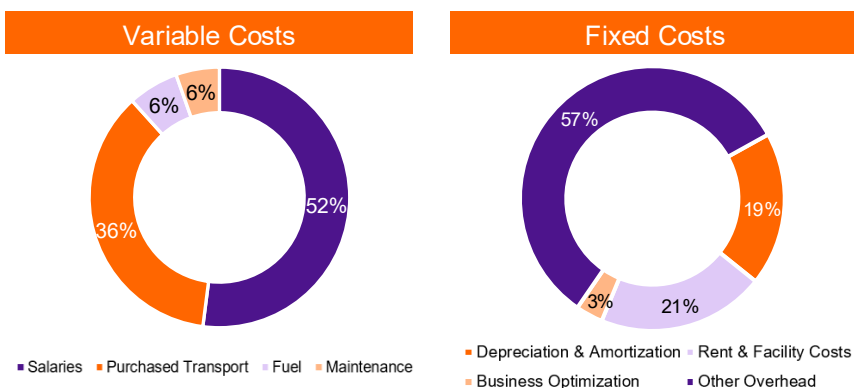
Operating Segments



Revenue Drivers

Volume	Yield	Fuel Surcharges
<ul style="list-style-type: none"> Streamlining operations and reducing cost per package through efficiency programs. Leveraging pricing power (yield) to offset inflation and expand margins. 	<ul style="list-style-type: none"> Streamlining operations and reducing cost per package through efficiency programs. Leveraging pricing power (yield) to offset inflation and expand margins. 	<ul style="list-style-type: none"> Streamlining operations and reducing cost per package through efficiency programs. Leveraging pricing power (yield) to offset inflation and expand margins.

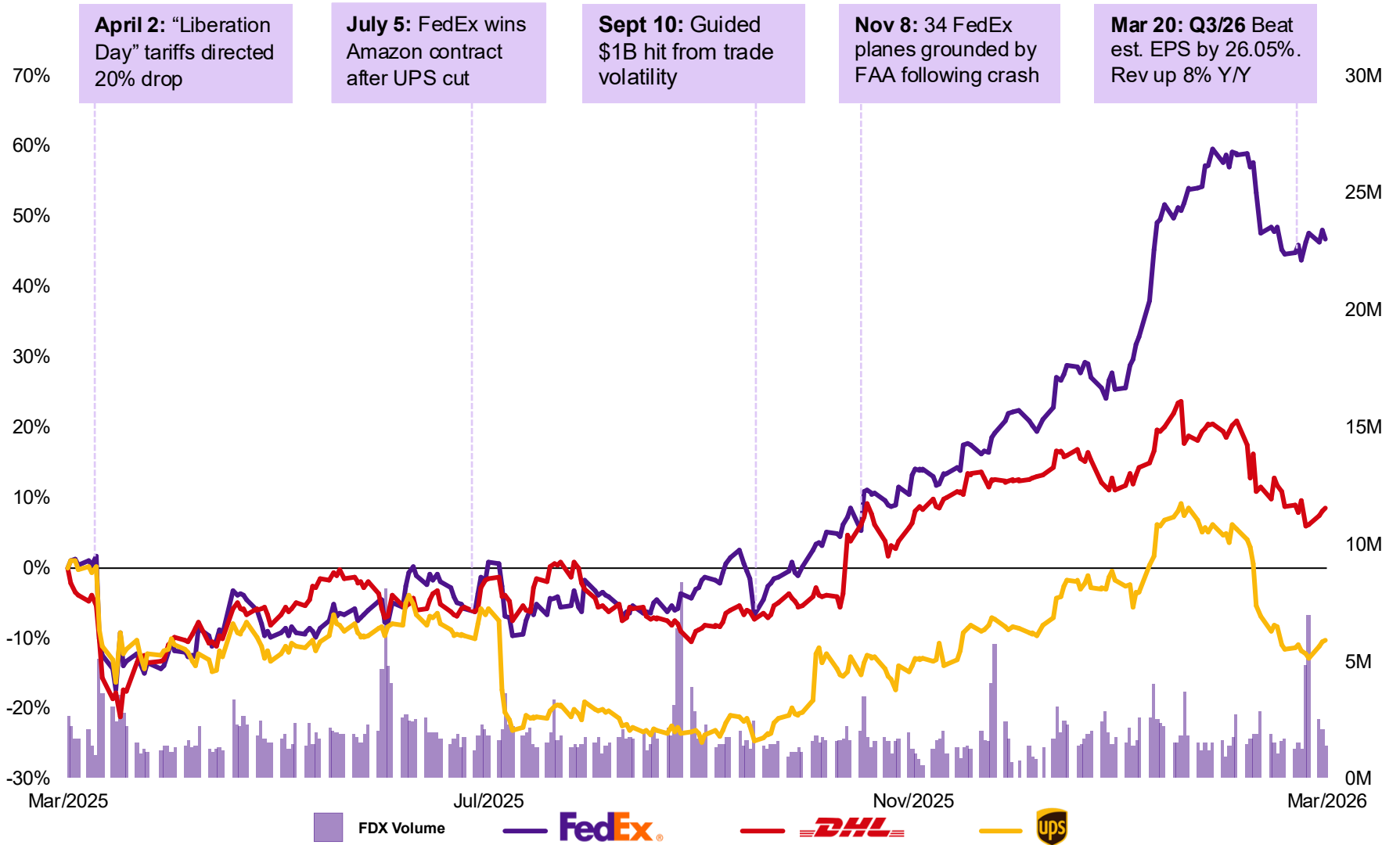
Cost Structure



Strategic Objectives

Margin Expansion Streamlining operations and reducing cost per package. Leveraging pricing power (yield) to offset inflation and expand margins.	Network Integration Integrating Express and Ground networks to improve asset utilization. Optimizing routing and logistics to lower delivery times and costs.
Capital Discipline Moderating capital expenditures as network investments mature. Prioritizing free cash flow generation and shareholder returns.	Freight Spin-Off Separating Freight to allow independent strategy and valuation. Enabling multiple expansion by simplifying the core parcel business.

Annotated Price Chart



ESG Overview



Average-to-middling ESG ratings mask deteriorating underlying metrics. FedEx is at risk of ESG-driven institutional outflows.

Environmental

- FedEx’s flagship 50% fuel efficiency target by 2025 was missed, the company acknowledged it is unachievable.
- 8,000 EVs are operating against a fleet of more than 200,000 motorized vehicles.
- Ex: DHL (42,004), Amazon Logistics (35,000).

Social

- Labor unrest following founder Fred Smith’s passing, with concerns that the company is moving away from its founding “People–Service–Profit” philosophy.
- Pilots: Issued a vote of no-confidence in the CEO. Ongoing contract negotiations (from May 2021) between FedEx and its pilots remain unresolved.

Governance

- FedEx is simultaneously suing the US government for illegal IEEPA tariff refunds while being sued by customers for passing those same costs.
- A December 2025 class action alleges FedEx failed to pay warehouse workers across 11 facilities.

ESG Rating Comparison

■ Leader ■ Above average ■ Average ■ Laggard

Metric	Scale (low to high risk)	FedEx	UPS	DHL
MSCI	CCC → AAA	A	AAA	A
S&P Global	0 → 100	32	33	62
Morningstar	0 → 40	17.78	17.68	17.52
EthosESG	0 → 100	36 (D)	32 (D)	55 (C)

Shareholder Summary & Capitalization Table

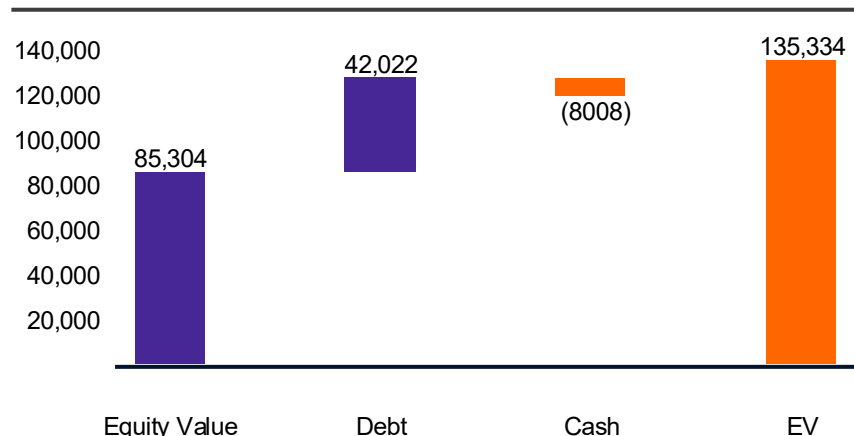


FedEx is owned by large institutional investors and funded with a mix of equity and debt.

Shareholder Summary

Institutions	# of Shares (mm)	Ownership (%)
Vanguard Group Inc.	23.4	9.8%
BlackRock Inc.	16.8	7.1%
Dodge & Cox	15.6	6.5%
State Street Corp	9.5	4.0%
PRIMECAP Management	8.5	3.6%
FMR LLC (Fidelity)	5.6	2.4%
Other Institutions	135.9	57.0%
Total Institutions	215.2	90.2%
Other		
Insiders	2.9	1.2%
Public	20.4	8.6%
Total Other	23.3	9.8%
Total Shares Outstanding	238.5	100%

Enterprise to Equity Value Bridge (US \$MMs)



Commentary

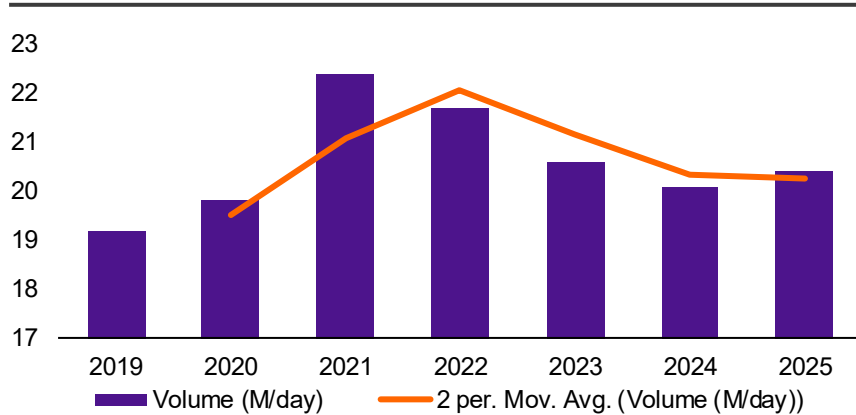
- 90% of shares are institutionally owned, with Vanguard and BlackRock controlling 17%, creating a crowded ownership profile with limited incremental buyers.
- Insider ownership is at around 1.2%, while public ownership at 8.6%.
- High debt and the need for strong execution increase downside risk if performance slips.

Key Operating Metrics

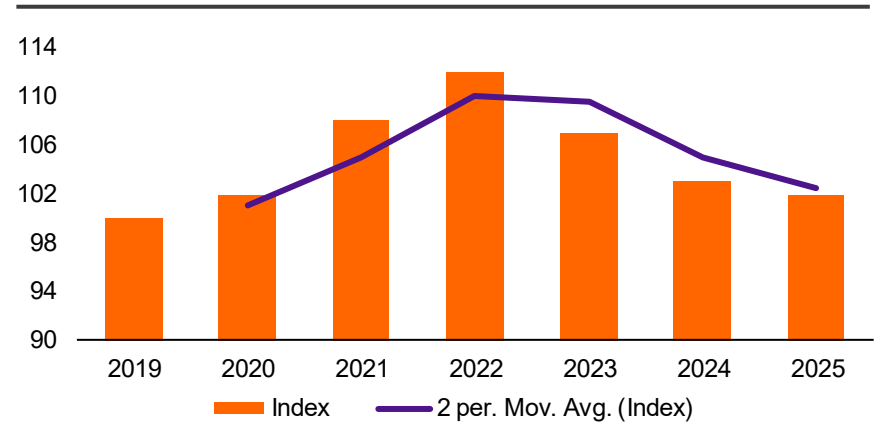


Since 2021, FedEx has seen volumes decline from 22M to 20M packages per day, while cost per package remains structurally above pre-COVID levels, resulting in margin pressure.

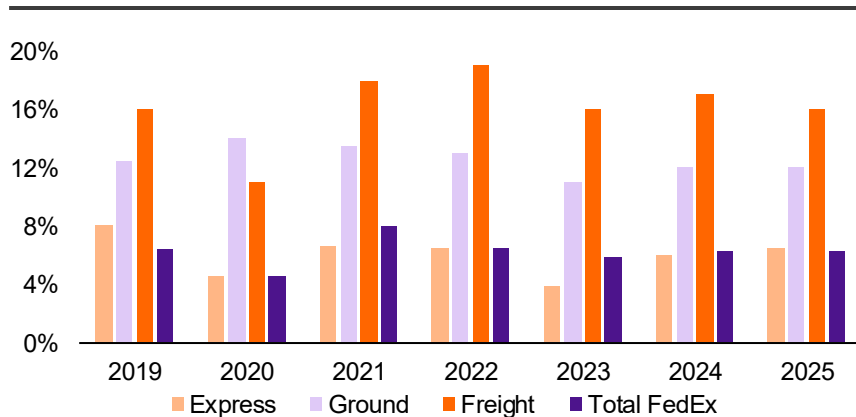
Average Daily Parcel Volume



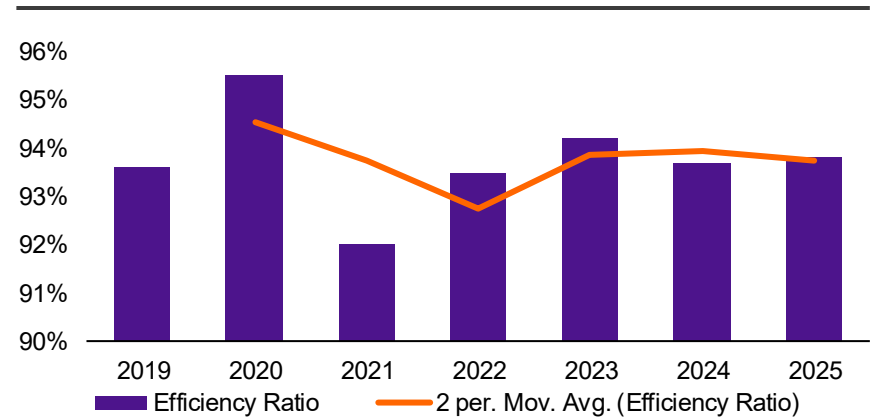
Cost per Package / Cost per Stop



Operating Margin by Segment



Efficiency Ratio



Industry Drivers

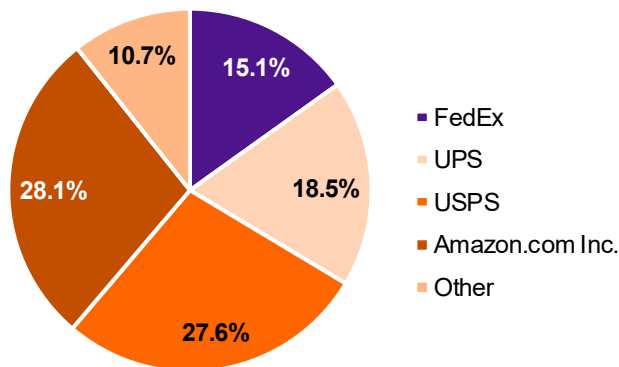


FedEx Corporation operates in the global e-commerce and shipping services industries through Federal Express and FedEx Freight business segments.

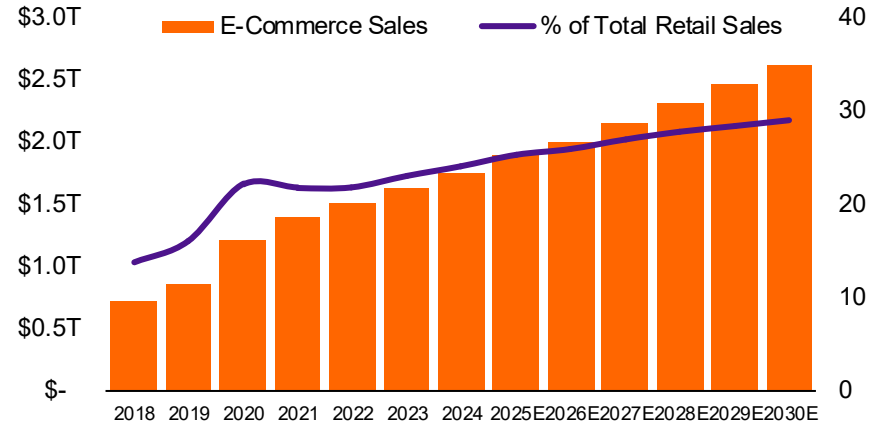
E-Commerce Sentiment

- Since the pandemic surge, e-commerce sales have normalized into a 7-8% growth rate annually.
- Electronics, clothing & general merchandise continue to be the highest share of e-commerce sales.
- Amazon is the powerhouse of the industry, competitors will have a tough time taking market share.

2025 US Daily Parcel Volume Market Share



E-Commerce Looking Ahead



Trends

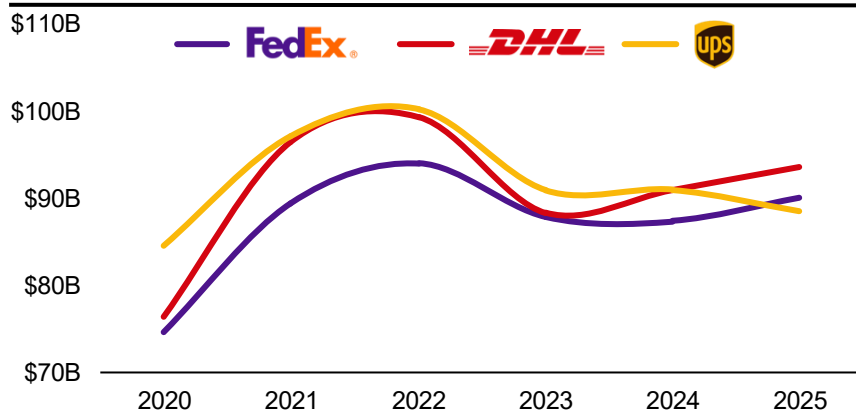
- E-commerce parcel sales contributing to expected CAGR of 4.05% over the next 5 years.
 - US domestic courier, express and parcel market projected to be over \$220B by 2031.
- Free-shipping memberships prove to raise revenue per customer by over 10%.
- Shipping parcel volumes are growing annually but revenue is not growing at the same rate.

Industry Timeline

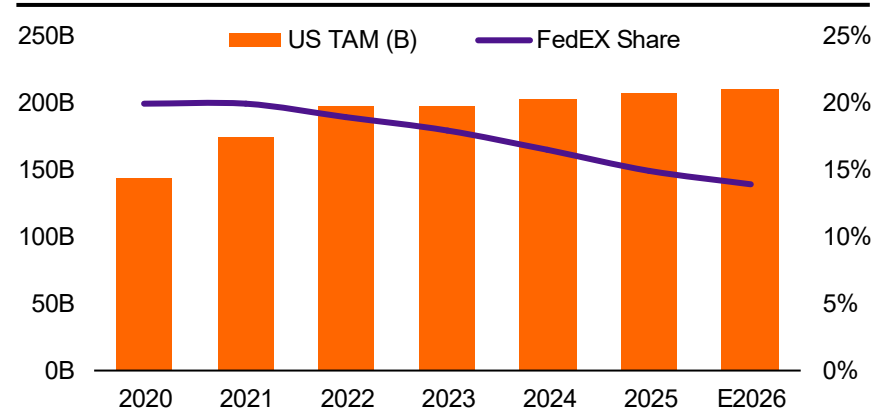


FedEx faces structural volume decline and accelerating market share losses with cost restructuring unlikely to offset the deterioration in its core business.

Industry Revenue Timeline



Deterioration of Market Share

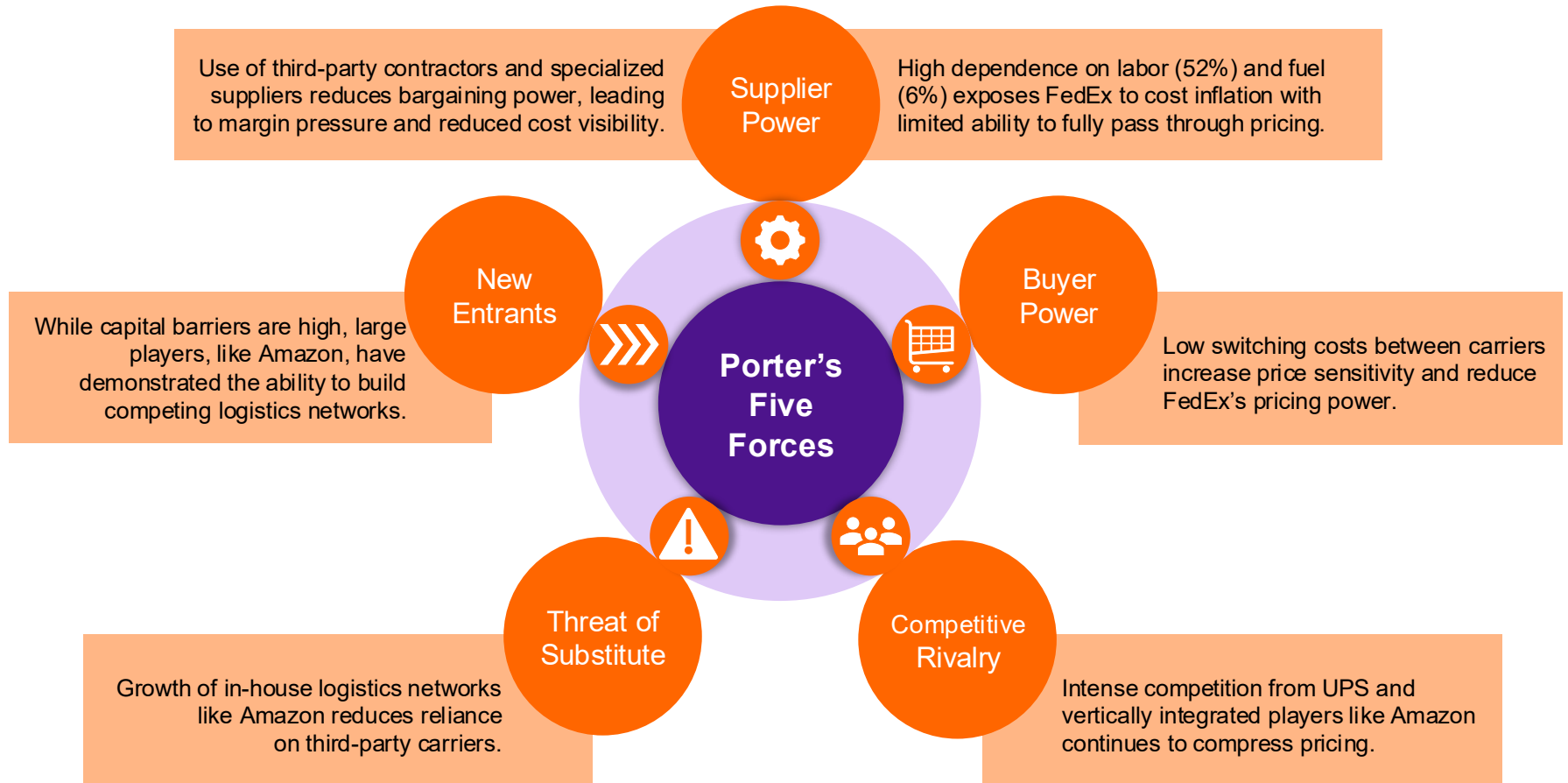


2020	2021	2022	2023	2024	2025	2026
<p>US parcel volume up 37% Y/Y.</p> <p>Pandemic Surge over-expand.</p> <p>E- Commerce adoption compressed 8 years forward.</p>	<p>E-Commerce normalization.</p> <p>Amazon terminates FDX Ground contract.</p> <p>Carriers shift from market share to margins.</p>	<p>FDX 1.5B restructuring launched.</p> <p>First parcel volume decline in decade.</p> <p>Freight rates fell 70% from peak</p>	<p>Structural decline confirmed.</p> <p>Amazon overtakes UPS in daily parcels.</p> <p>Houthi attacks in Red Sea led to 10-day route diversions.</p>	<p>FDX Only major carrier to lose volume.</p> <p>Amazon captures 28% parcel market share.</p> <p>East Coast port strike halted 25% of imports.</p>	<p>MD-11 fleet grounded 12% of planes.</p> <p>Tariffs push industry costs higher.</p> <p>De minimis exemption suspended.</p>	<p>Freight spinoff Jun 1 strips ~10% rev.</p> <p>International export volumes fall 3% Y/Y.</p> <p>Industry Trans-Pacific air cargo volume down 25%.</p>

Porter's Five Forces



FedEx operates in a highly competitive and price-sensitive industry, mainly from large customers and competitors. These combined with limited differentiation and rising input costs, constrain pricing power and create ongoing margin pressure.



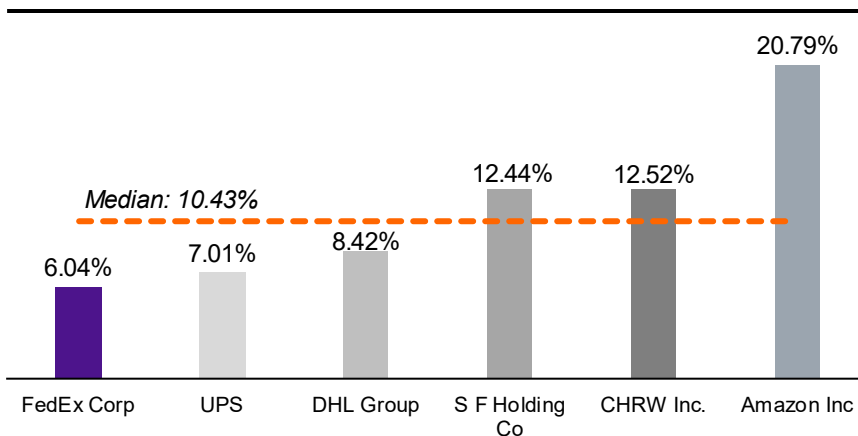
Competitive Landscape



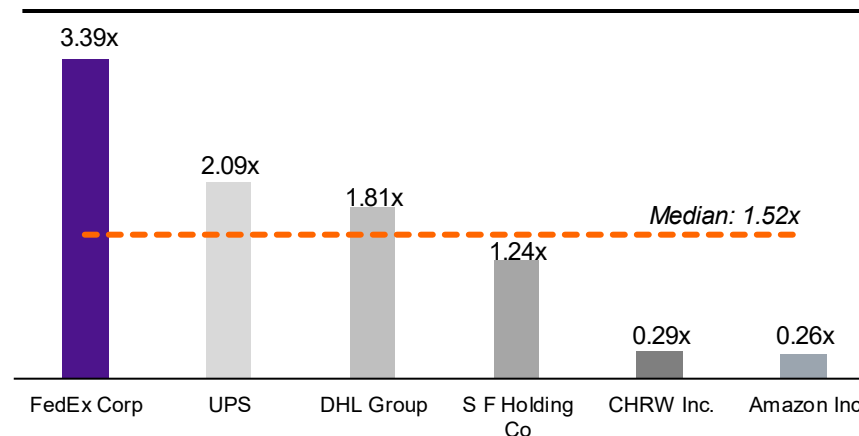
Peers were selected based on relevance of operations & market capitalization.

Company	Mkt. Cap (US \$MMs)	Dividend Yield	LTM Revenue Growth	LTM Net Income Margin	Efficiency Ratio (TTM)
FedEx Corp.	86,287	1.60%	4.69%	4.88%	0.93
UPS Inc.	83,642	6.65%	(2.65%)	6.28%	0.90
DHL AG	57,778	4.12%	(1.58%)	4.20%	0.96
S.F. Holding Co Ltd.	26,366	2.47%	9.61%	3.59%	0.95
C.H. Robinson Inc.	20,071	1.47%	(8.42%)	3.62%	0.95
Amazon Inc.	2,224,705	N/A	12.38%	10.83%	0.88
Median	57,778	2.47%	1.56%	4.54%	0.94

Return on Invested Capital



Net Debt to EBITDA



Thesis I - Rising Competition Depleting Market Share

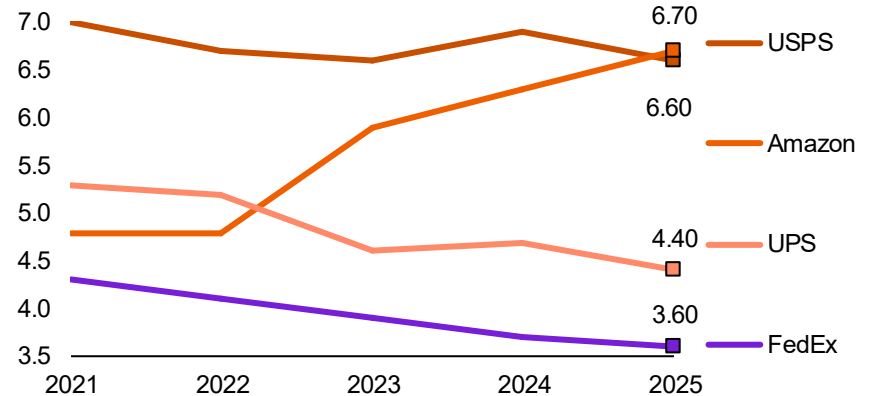


FedEx is fighting for market share on two sides, giants like Amazon and smaller companies are all battling for a bigger piece of the pie.

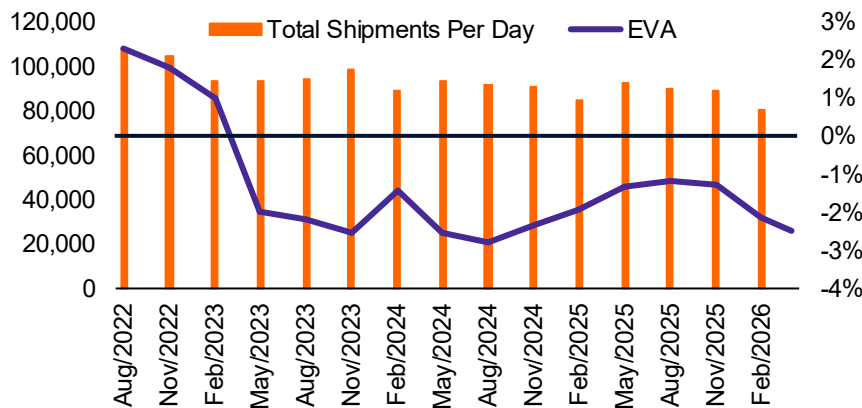
Amazon as the Primary Threat

- Amazon delivers 2/3 of its orders, exceeding FedEx in volume.
- Amazon offers 24-hour delivery to 20% of rural homes, while FedEx & UPS scale back rural networks.
- Amazon targeting 200 rural delivery stations by year-end, up from 70 at the end of 2023.
- Rural shoppers spend \$1T annually, Amazon is capturing that market while others retreat.

Yearly US Parcel Volume (B)



Lower Volumes Leading to Negative EVA



The Squeeze From Below

- UPS charges a \$16.50 surcharge for rural deliveries, Amazon pays small businesses \$2.50 per package.
- FedEx and UPS are both shedding workers and shrinking their delivery networks in rural areas.
- Smaller alternative companies are popping up globally and seeing massive increases in volumes by targeting cheap, fast, “last mile” solutions.

Thesis II – Freight Spin-Off Execution Risk



Spinning off FedEx Freight may unlock value, but it also introduces execution risk and weakens FedEx's integrated logistics model.

FedEx Freight Vs. Network 2.0 Execution Risk

FedEx Freight:

- June 1, 2026: LTL (less than truckload) business spinoff, creating two separate public companies.
- FedEx Freight: standalone pure-play LTL carrier focused solely on North America.
- Freight assumes its own management, balance sheet, and strategy.

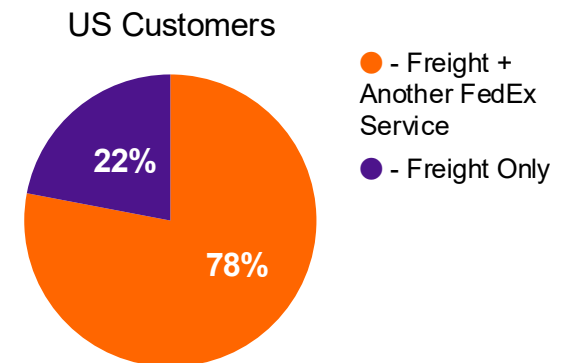
Execution Risk:

- FedEx is currently integrating Express and Ground into a unified network (Network 2.0) – a major operational overhaul that is still in its early stages (~20% complete).
- The Freight spin-off adds additional organizational complexity during an already significant restructuring.
- Multiple strategic initiatives occurring simultaneously create uncertainty around management focus and the long-term direction.

Consumer Exposure Risk

- Spinning off Freight removes FedEx's exposure to industrial and B2B freight demand.
- The remaining company (Express & Ground) becomes more dependent on the US consumer-driven parcel volumes.
- U.S. consumer spending is beginning to soften amid higher interest rates, rising debt levels, and elevated energy costs.

Cross-Network Pricing Power

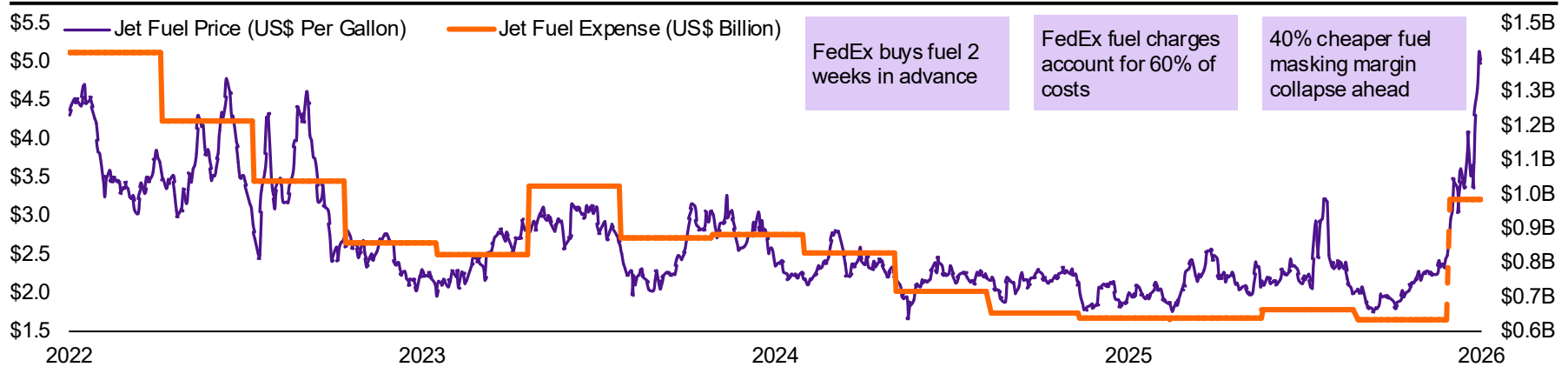


Thesis III - Cash Flow Pressure From an Aging Fleet

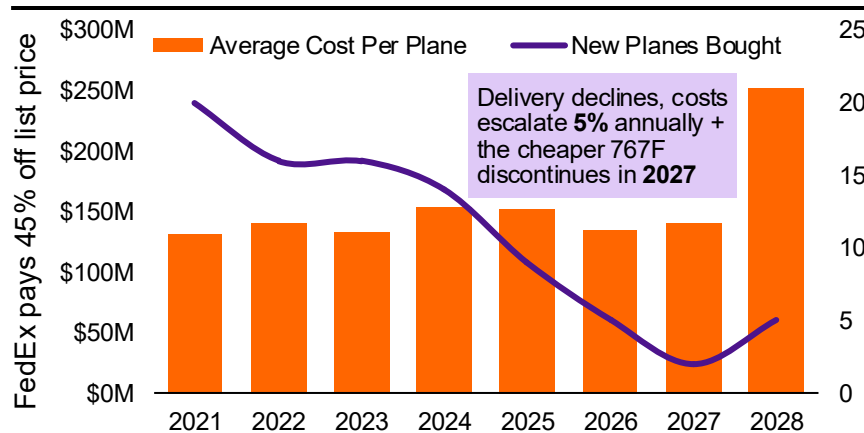


With retirements outpacing replacements, fuel surges, and maintenance costs climbing 4.5% Y/Y on a 20-year-old fleet, FedEx faces a structural cost problem.

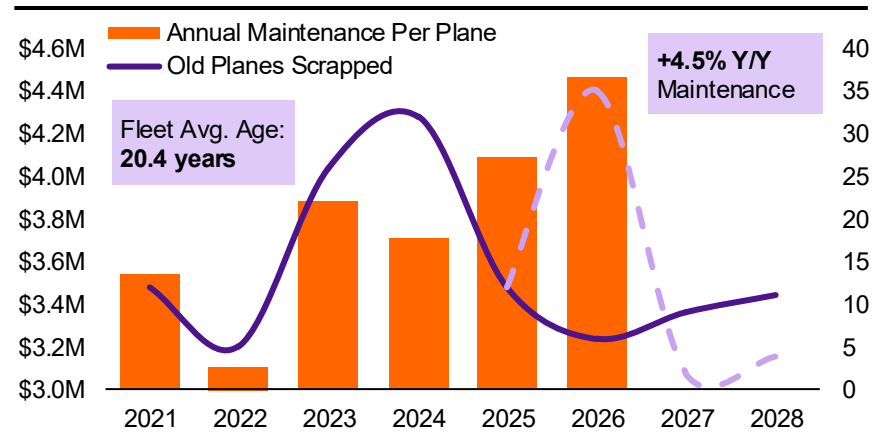
Delayed Fuel Trap



Increasing Prices, Decreasing Orders



Exponential Maintenance Bill

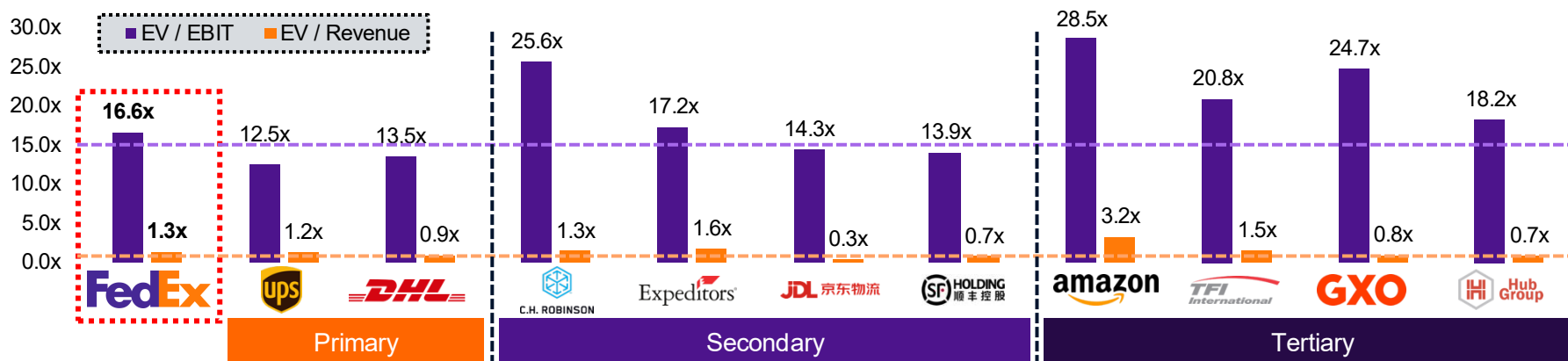


Comparable Company Analysis



Comparable companies were assigned tiers based on relevance to prioritize the most direct competitors across a broad selection.

Comparable Company Analysis



Key Insights

- Comparable analysis suggests that FedEx is trading at a 16% premium based on EV/EBIT and a 21% premium based on EV/Revenue.
- Weights of 75% primary, 15% secondary and 10% tertiary were applied to reflect peer relevance.
- FedEx sits above tiered median multiples for both EV/EBIT and EV/Revenue.
- EV/EBIT was selected to consider the capital-intensive nature of the industry.

Implied Share Price

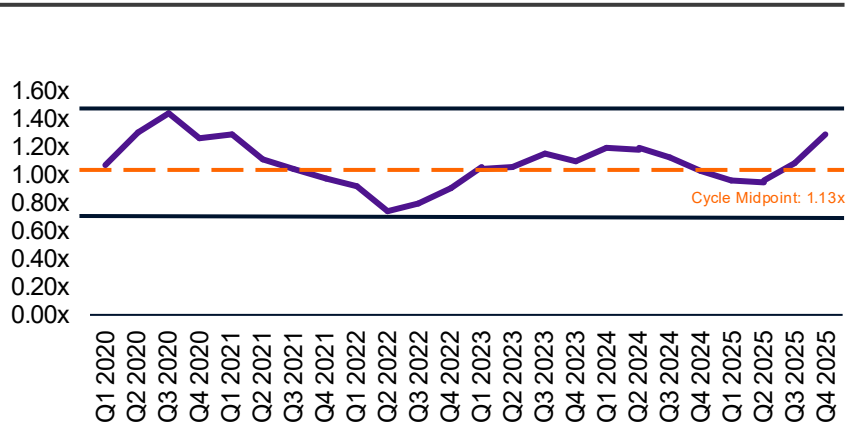
	Weight	EV / EBIT	EV / Revenue
Primary Median Multiple	75%	13.0x	1.0x
Secondary Median Multiple	15%	15.8x	1.0x
Tertiary Median Multiple	10%	22.8x	1.1x
Weighted Average Multiple		15.1x	1.0x
FedEx 2027E		\$7,395	\$98,072
Implied Enterprise Value		\$106,329.1	\$101,966.3
(-) Debt		(\$42,022.0)	(\$42,022.0)
(-) Minority Interest		-	-
(+) Cash & Eq.		\$8,008	\$8,008
Implied Equity Value		\$72,315.1	\$67,952.26
Shares O/S		238.6	238.6
Implied Share Price		\$303.07	\$284.79

Peak-to-Trough Valuation

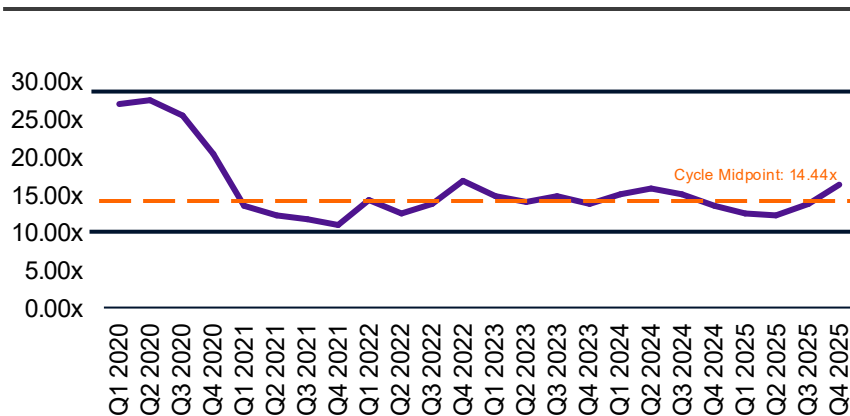


Highly cyclical business, deriving the historical midpoint creates an implied share price from the multiple contraction reversing to the mean.

TTM EV/REV



TTM EV/EBIT



Historical Cycles

Cycle I: 2019-2022	Units	EV/REV	EV/EBIT
Cycle Peak	x	1.44x	27.61x
Cycle Trough	x	0.75x	10.95x
Cycle Midpoint	x	1.10x	19.28x
Cycle II: 2022-2025	Units	EV/REV	EV/EBIT
Cycle Peak	x	1.20x	16.81x
Cycle Trough	x	0.75x	12.44x
Cycle Midpoint	x	0.98x	14.62x
Historical Average	Units	EV/REV	EV/EBIT
5-Year Average	x	1.09x	15.84

Implied Share Price

Current Cycle	Units	EV/REV	EV/EBIT
Cycle Peak	x	1.29x	16.43x
Cycle Trough	x	0.96x	12.44x
Cycle Midpoint	x	1.13x	14.44x
FedEx Revenue and EBIT 2027E	(US\$M)	\$98,072	\$7,395
Implied EV	(US\$M)	110,331	106,747
- Net Debt	(US\$M)	34,014	34,014
Implied Equity Value	(US\$M)	76,317	72,733
Shares Outstanding	MMs	238.61	238.61
Implied Share Price	US\$	\$319.84	\$304.82

DCF Analysis - Base Case



Model Inputs: \$42.02B in Total Debt, \$8B in Cash & Equivalents, 238.61M Shares Outstanding

Summary	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E
<i>Fiscal Year End</i>	5/31/2023	5/31/2024	5/31/2025	5/31/2026	5/31/2027	5/31/2028	5/31/2026	5/31/2030	5/31/2031
Revenue	\$90,155	\$87,693	\$87,926	\$93,553	\$98,072	\$101,995	\$106,075	\$110,318	\$114,730
% Growth	-3.59%	-2.73%	0.27%	6.40%	4.83%	4.00%	4.00%	4.00%	4.00%
EBIT	\$6,392	\$6,963	\$6,745	\$6,495	\$7,395	\$8,259	\$8,592	\$8,936	\$9,293
% EBIT Margin	7.09%	7.94%	7.67%	6.94%	7.54%	8.10%	8.10%	8.10%	8.10%
EBITDA	\$10,568	\$11,250	\$11,009	\$10,847	\$11,928	\$12,785	\$13,259	\$13,790	\$14,341
% EBITDA Margin	11.72%	12.83%	12.52%	11.59%	12.16%	12.54%	12.50%	12.50%	12.50%
D&A	\$4,176	\$4,287	\$4,264	\$4,353	\$4,533	\$4,526	\$4,667	\$4,854	\$5,048
as a % of revenue	4.63%	4.89%	4.85%	4.65%	4.62%	4.44%	4.40%	4.40%	4.40%
Δ NWC	-\$1,337	\$423	\$591	\$654.87	\$686.50	\$713.96	\$742.52	\$772.22	\$803.11
as a % of revenue	-1.48%	0.48%	0.67%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
CapEX	-\$6,174	-\$5,176	-\$4,055	-\$3,742.13	-\$3,922.88	-\$3,824.80	-\$3,712.61	-\$3,861.11	-\$4,015.56
as a % of revenue	-6.85%	-5.90%	-4.61%	-4.00%	-4.00%	-3.75%	-3.50%	-3.50%	-3.50%
Tax Rate	25.9%	25.8%	24.8%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Unlevered FCF				\$4,826.6	\$5,470.1	\$6,181.7	\$6,656.2	\$6,922.4	\$7,199.3
Discount Factor				0.98	0.90	0.82	0.75	0.69	0.63
PV FCF				\$4,722.6	\$4,905.7	\$5,081.4	\$5,015.0	\$4,780.5	\$4,556.9

Sensitivity Analysis - Gordon Growth Method

WACC	Perpetual Growth Rate				
	2.00%	2.25%	2.50%	2.75%	3.00%
8.60%	\$283.17	\$295.85	\$309.56	\$324.45	\$340.66
8.85%	\$267.87	\$279.50	\$292.05	\$305.63	\$320.38
9.10%	\$253.64	\$264.35	\$275.87	\$288.30	\$301.75
9.35%	\$240.38	\$250.27	\$260.88	\$272.29	\$284.60
9.60%	\$228.00	\$237.15	\$246.94	\$257.44	\$268.75

Sensitivity Analysis - Exit Multiple Method

WACC	2031 EV/EBIT Multiple				
	16.0x	16.5x	17.0x	17.5x	18.0x
8.60%	\$261.55	\$274.18	\$286.80	\$299.43	\$312.06
8.85%	\$256.70	\$269.18	\$281.65	\$294.13	\$306.61
9.10%	\$251.92	\$264.25	\$276.57	\$288.90	\$301.23
9.35%	\$247.21	\$259.39	\$271.57	\$283.75	\$295.93
9.60%	\$242.56	\$254.60	\$266.63	\$278.67	\$290.70

- Guiding 4% CAGR from 2028-2031 to reflect mature operations, in line with management expectations.

- Management forecast EBIT margin towards ~8% by 2028 due to cost-cutting practices, conservative capex forecast.

- 25% effective tax rate, constant across projections.

- 2.5% terminal growth rate at inflation target, +50bps for stable long-term economic growth.

Catalysts

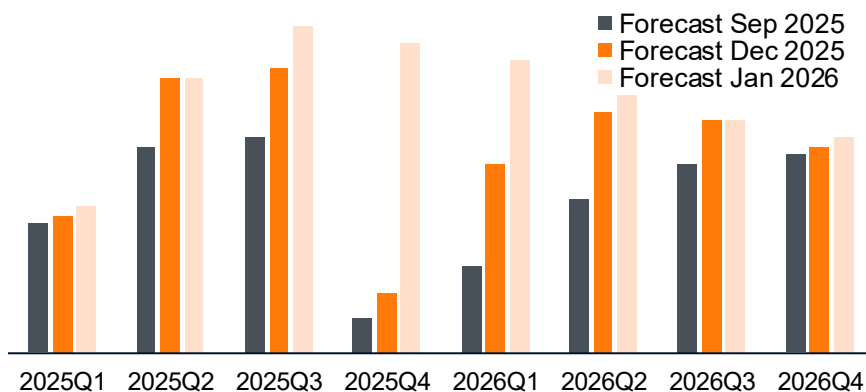


International volume deterioration and weakening consumer demand create meaningful downside risk to FedEx's earnings trajectory.

US De Minimis Exception

- Elimination of de minimis exception (packages under \$800 entering duty-free). Initially August 29, 2025, officially continued February 20, 2026.
- Reduced most recent quarter (Q3 26), revenue by \$150M, on track to cost FedEx up to \$1B for the fiscal year.

U.S Real Consumer Spending, QoQ Change



USMCA Joint Review

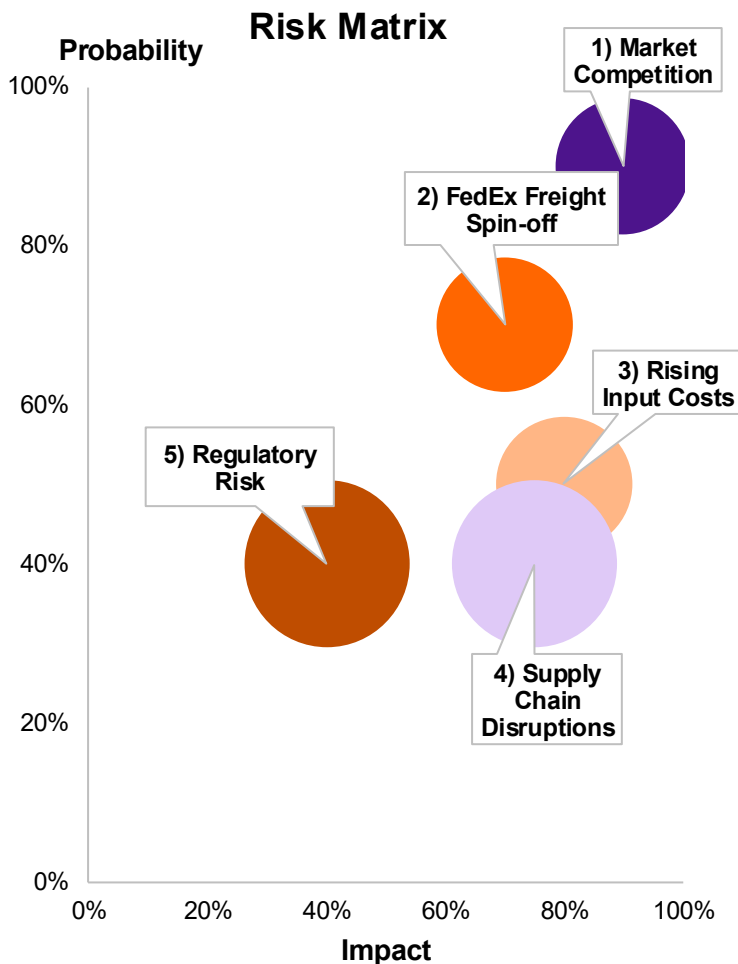
Deadline July 1st, 2026

Scenario	Description	Likelihood
Clean Renewal	Agreement extended to 2036 with no significant changes	Low
Painful Extension	M & C make concessions to reduce U.S. Tariffs	High-Moderate
Serial Annual Reviews	No deal to extend reached in 2026; yearly reviews begin	Moderate
Expiration in 2036	No consensus, leading to legal end of USMCA	Low
Fallback to Bilateral Deals	No consensus to extend; members pivot to bilateral agreements	Moderate-Low
Early Withdrawal	One country exits	Moderate-High

Risks & Mitigations



Driven by fuel price volatility, rising labour prices and increased competitors, FedEx is facing several risks that could have implications in the short and long term.



Mitigations

1) Market Competition

✓ Amazon and large competitors continue to take volume away from FedEx that significantly decreases their operating leverage.

2) FedEx Freight Spin-Off

✓ Narrowing focus in an already CapEx heavy business, causing more exposure to fuel prices and volume fluctuations.

3) Rising Input Costs

✓ No pricing power in fuel and labour costs could result in prices increasing for customers leading to larger volumes loss.

4) Supply Chain Disruptions

✓ Revenue from international trade can be affected by geopolitics, tariffs, and trade restrictions.

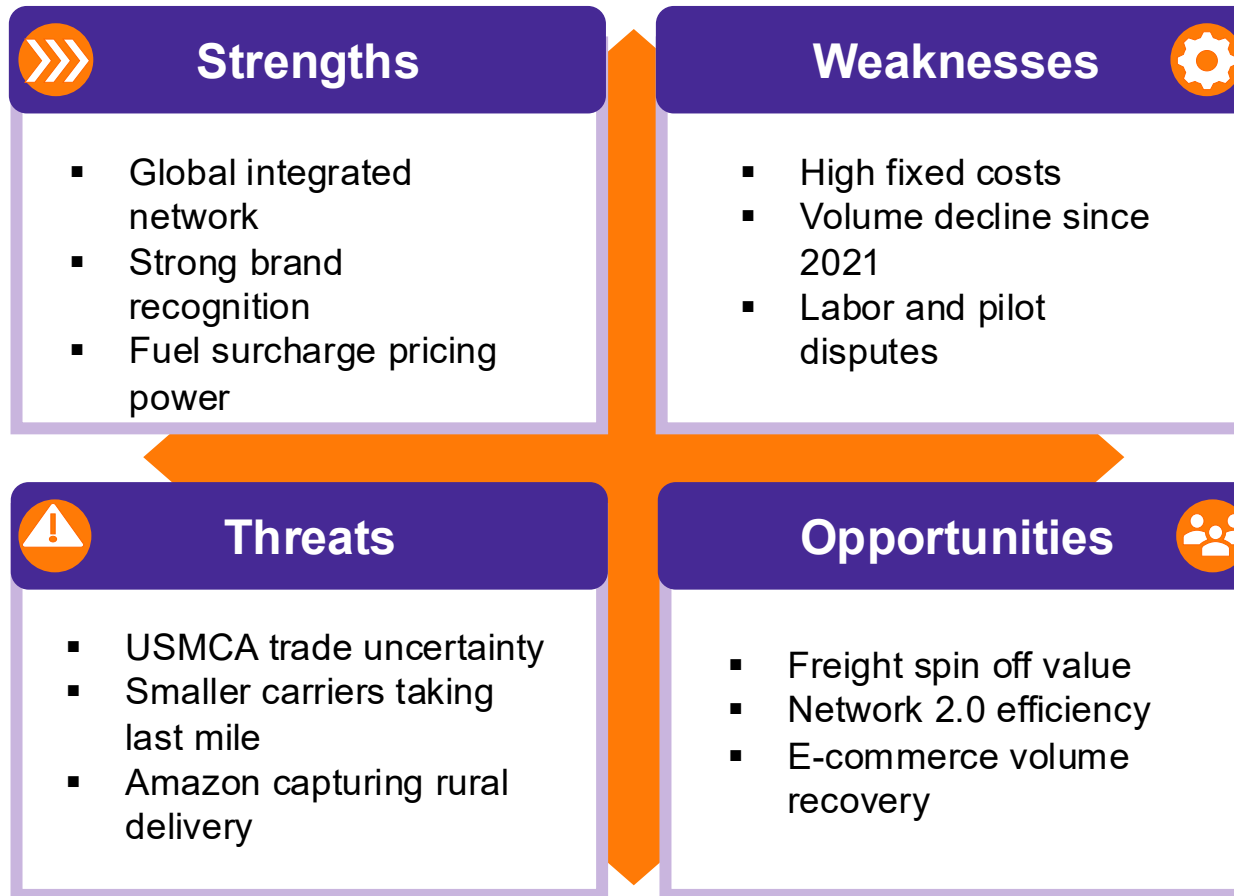
5) Regulatory Risk

✓ Already thin margins do not have flexibility for increased CapEx to adhere to regulatory guidelines.

SWOT Analysis



FedEx's global network and pricing power are offset by rising competition, Freight spin off risk, and volume decline.

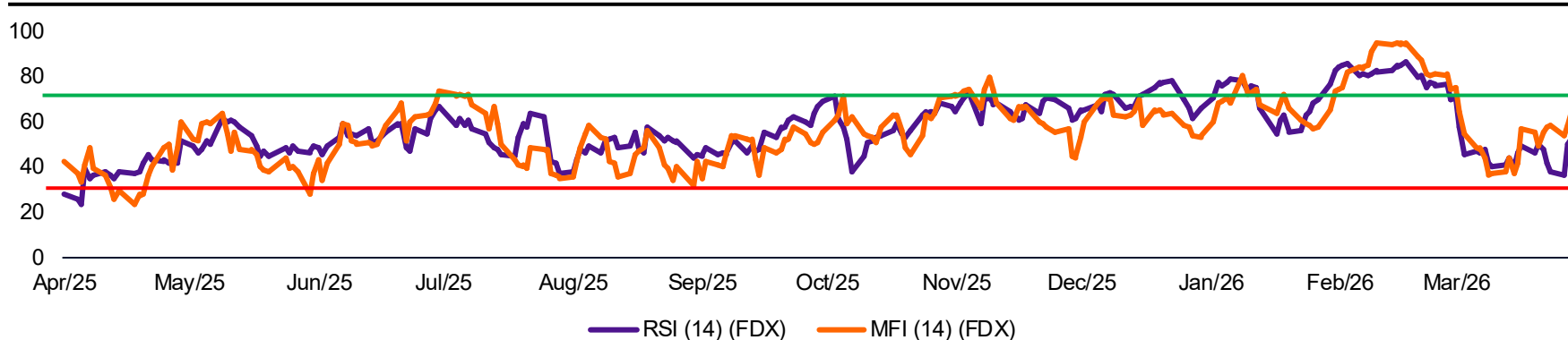


Entry & Exit Point

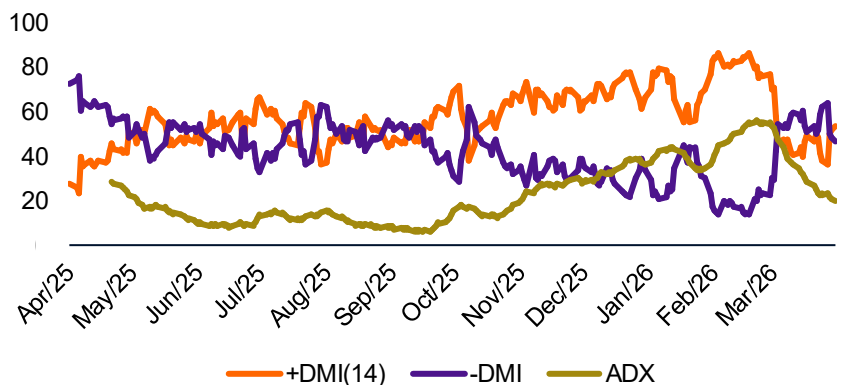


Strong multiple expansion in 2026 push FedEx into strong overbought territory, the sell-off in recent weeks due to geopolitical uncertainty has been pared with accumulation driving back into the stock.

Relative Strength Index & Money Flow Index



Directional Movement Index



Cost of Carry (1-Year Hold Period)

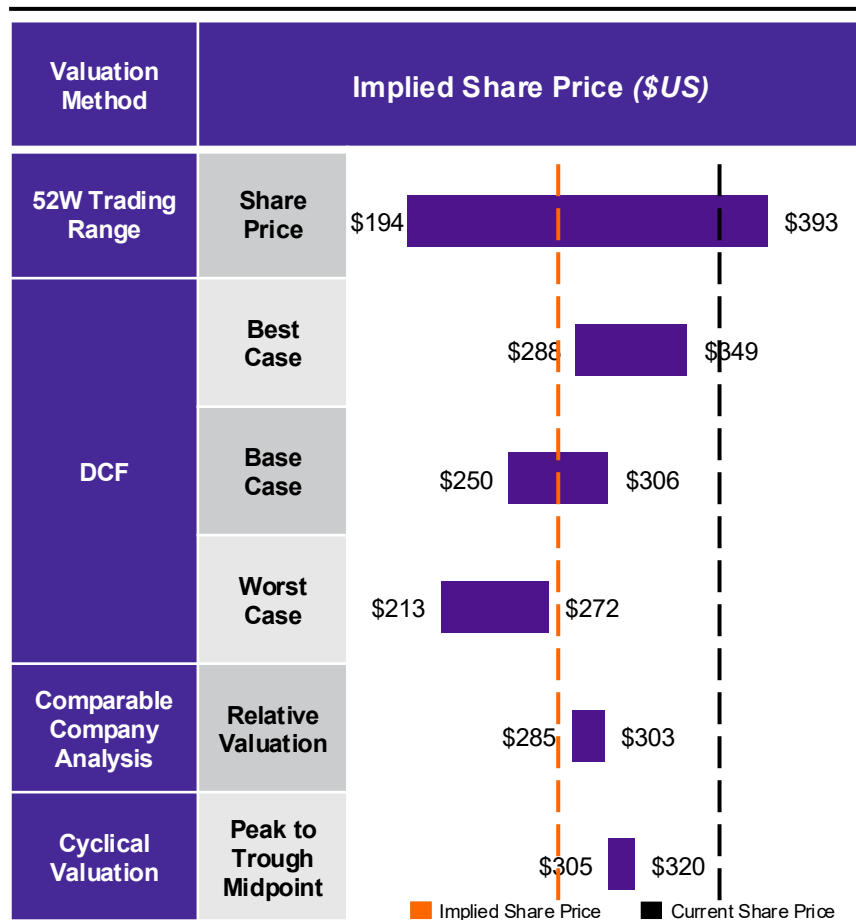
Cash Outflow	Yield
Dividend Yield	1.56%
Annualized Margin Cost	0.42%
Total Cost of Carry	1.98%

Final Recommendation



The Long/Short portfolio is recommending a short position at a current price of \$373.43, with a 1-year target price of \$283.28 (-24.1% downside).

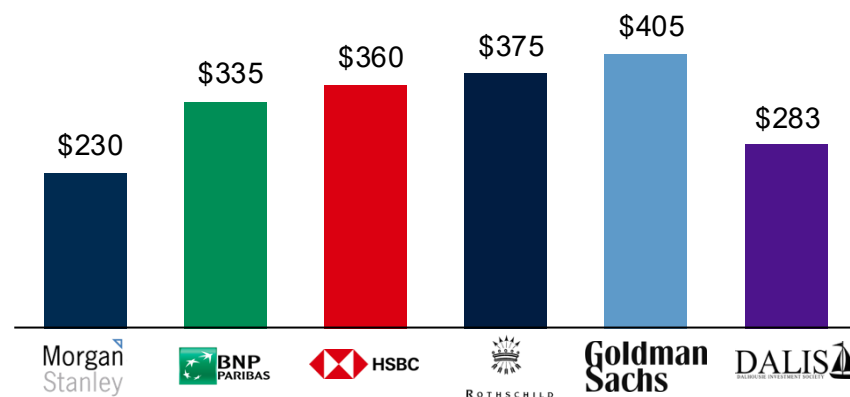
Football Field



Valuation Breakdown

	Implied Price (\$US)	Weight
Gordon Growth Method	\$275.76	40%
Exit Multiple Method	\$276.54	30%
Industry Median EV/Revenue	\$284.78	10%
Industry Median EV/EBIT	\$303.07	10%
Peak to Trough EV/Revenue	\$304.82	5%
Peak to Trough EV/EBIT	\$319.84	5%
Weighted Average	\$283.28	100%

The Street Price Targets (\$US)





FedEx Corporation

(NYSE:FDX)

April 8th, 2026

Recommendation: **Short**

Share Price as of 04/08/2026: \$373.43

One Year Price Target: \$283.28 (-24.1% downside)

Josh Franken

Portfolio Manager

Sean Woodbury

Portfolio Manager

Nate Casey

Senior Analyst

Logan Durno

Senior Analyst

Ana Soloviov

Junior Analyst

Ariadna Soria

Junior Analyst

Malcolm Hill

Junior Analyst

Appendix I - WACC



Cost of equity calculated using metrics from Prof. Damodaran at New York University.

WACC Calculation	
Net Debt	\$34,014
Total Equity	\$86,289
Enterprise Value	\$120,303
Weight of Debt	28.27%
Weight of Equity	71.73%
Cost of Equity	11.24%
After Tax Cost of Debt	3.68%
WACC	9.10%

Cost of Equity	
Risk-Free Rate	4.30%
Beta	1.21
Market Risk Premium	5.75%
Expected Market Return	10.05%
CAPM	11.24%

Cost of Debt	
BV of Debt	\$42,022
Interest Expense	\$789
Avg. Maturity	11.6 Years
Credit Rating	BBB/Baa2
Pre-Tax Cost of Debt	4.89%
Tax Rate	24.80%
After Tax Cost of Debt	3.68%

Appendix II – DCF Analysis: Bull Case



Accelerated revenue growth at 5% CAGR, operating margin pushes 8.5% & reduced CapEx expense.

Summary	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E
<i>Fiscal Year End</i>	5/31/2023	5/31/2024	5/31/2025	5/31/2026	5/31/2027	5/31/2028	5/31/2026	5/31/2030	5/31/2031
Revenue	\$90,155	\$87,693	\$87,926	\$93,553	\$98,072	\$102,975	\$108,124	\$113,530	\$119,207
<i>% Growth</i>	-3.41%	-2.73%	0.27%	6.40%	4.83%	5.00%	5.00%	5.00%	5.00%
EBIT	\$6,392	\$6,963	\$6,745	\$6,495	\$8,091	\$8,753	\$9,191	\$9,650	\$10,133
<i>% EBIT Margin</i>	7.09%	7.94%	7.67%	6.94%	8.25%	8.50%	8.50%	8.50%	8.50%
EBITDA	\$10,568	\$11,250	\$11,009	\$10,847	\$11,916	\$12,769	\$13,516	\$14,191	\$14,901
<i>% EBITDA Margin</i>	11.72%	12.83%	12.52%	11.58%	12.15%	12.40%	12.50%	12.50%	12.50%
D&A	\$4,176	\$4,287	\$4,264	\$4,353	\$3,825	\$4,016	\$4,325	\$4,541	\$4,768
<i>as a % of revenue</i>	4.63%	4.89%	4.85%	4.65%	3.90%	3.90%	4.00%	4.00%	4.00%
ΔNWC	-\$1,337	\$423	\$591	\$654.87	\$686.50	\$720.83	\$756.87	\$794.71	\$834.45
<i>as a % of revenue</i>	-1.48%	0.48%	0.67%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
CapEX	-\$6,174	-\$5,176	-\$4,055	-\$3,742.13	-\$3,432.52	-\$3,089.26	-\$3,243.73	-\$3,405.91	-\$3,576.21
<i>as a % of revenue</i>	-6.85%	-5.90%	-4.61%	-4.00%	-3.50%	-3.00%	-3.00%	-3.00%	-3.00%
Tax Rate	25.9%	25.8%	24.8%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Unlevered FCF				\$4,826.6	\$5,774.0	\$6,770.6	\$7,217.3	\$7,578.2	\$7,957.1
Discount Factor				0.98	0.90	0.82	0.75	0.69	0.63
PV FCF				\$4,722.6	\$5,178.3	\$5,565.5	\$5,437.7	\$5,233.3	\$5,036.5

Sensitivity Analysis - Gordon Growth Method

		Perpetual Growth Rate				
		2.00%	2.25%	2.50%	2.75%	3.00%
WACC	8.60%	\$323.99	\$338.00	\$353.16	\$369.61	\$387.53
	8.85%	\$307.08	\$319.94	\$333.82	\$348.83	\$365.12
	9.10%	\$291.37	\$303.21	\$315.95	\$329.68	\$344.55
	9.35%	\$276.73	\$287.66	\$299.38	\$311.99	\$325.60
	9.60%	\$263.06	\$273.17	\$283.99	\$295.60	\$308.09

Sensitivity Analysis - Exit Multiple Method

		2031 EV/EBIT Multiple				
		16.0x	16.5x	17.0x	17.5x	18.0x
WACC	8.60%	\$298.05	\$311.82	\$325.59	\$339.36	\$353.13
	8.85%	\$292.76	\$306.37	\$319.97	\$333.57	\$347.18
	9.10%	\$287.55	\$300.99	\$314.43	\$327.87	\$341.31
	9.35%	\$282.41	\$295.69	\$308.97	\$322.26	\$335.54
	9.60%	\$277.35	\$290.47	\$303.59	\$316.72	\$329.84

Appendix III – DCF Analysis: Bear Case



Lower revenue growth from FY2028 – FY 2031 (3% CAGR), reduced EBIT margin from FY2028+ & higher CapEx expense.

Summary	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E
<i>Fiscal Year End</i>	2023-05-31	2024-05-31	2025-05-31	2026-05-31	2027-05-31	2028-05-31	2026-05-31	2030-05-31	2031-05-31
Revenue	\$90,155	\$87,693	\$87,926	\$93,553	\$98,072	\$101,014	\$104,044	\$107,166	\$110,381
% Growth	-3.41%	-2.73%	0.27%	6.40%	4.83%	3.00%	3.00%	3.00%	3.00%
EBIT	\$6,392	\$6,963	\$6,745	\$6,495	\$7,395	\$8,182	\$8,324	\$8,573	\$8,830
% EBIT Margin	7.09%	7.94%	7.67%	6.94%	7.54%	8.10%	8.00%	8.00%	8.00%
EBITDA	\$10,568	\$11,250	\$11,009	\$10,847	\$11,928	\$12,627	\$13,006	\$13,396	\$13,798
% EBITDA Margin	11.72%	12.83%	12.52%	11.59%	12.16%	12.50%	12.50%	12.50%	12.50%
D&A	\$4,176	\$4,287	\$4,264	\$4,353	\$4,533	\$4,445	\$4,682	\$4,822	\$4,967
as a % of revenue	4.63%	4.89%	4.85%	4.65%	4.62%	4.40%	4.50%	4.50%	4.50%
ΔNWC	-\$1,337	\$423	\$591	\$654.87	\$686.50	\$707.10	\$728.31	\$750.16	\$772.67
as a % of revenue	-1.48%	0.48%	0.67%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
CapEX	-\$6,174	-\$5,176	-\$4,055	-\$3,742.13	-\$3,922.88	-\$4,040.56	-\$4,161.78	-\$4,286.63	-\$4,415.23
as a % of revenue	-6.85%	-5.90%	-4.61%	-4.00%	-4.00%	-4.00%	-4.00%	-4.00%	-4.00%
Tax Rate	25.9%	25.8%	24.8%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Unlevered FCF				\$4,826.6	\$5,470.1	\$5,833.6	\$6,034.6	\$6,215.6	\$6,402.1
Discount Factor				0.98	0.90	0.82	0.75	0.69	0.63
PV FCF				\$4,722.6	\$4,905.7	\$4,795.2	\$4,546.7	\$4,292.4	\$4,052.3

Sensitivity Analysis - Gordon Growth Method

		Perpetual Growth Rate				
		2.00%	2.25%	2.50%	2.75%	3.00%
WACC	8.60%	\$242.23	\$253.50	\$265.70	\$278.93	\$293.35
	8.85%	\$228.60	\$238.95	\$250.11	\$262.19	\$275.30
	9.10%	\$215.93	\$225.46	\$235.70	\$246.76	\$258.72
	9.35%	\$204.13	\$212.92	\$222.35	\$232.50	\$243.44
	9.60%	\$193.10	\$201.23	\$209.94	\$219.28	\$229.33

Sensitivity Analysis - Exit Multiple Method

		2031 EV/EBIT Multiple				
		16.0x	16.5x	17.0x	17.5x	18.0x
WACC	8.60%	\$241.43	\$253.43	\$265.43	\$277.43	\$289.43
	8.85%	\$236.82	\$248.68	\$260.53	\$272.39	\$284.24
	9.10%	\$232.28	\$243.99	\$255.71	\$267.42	\$279.13
	9.35%	\$227.80	\$239.38	\$250.95	\$262.52	\$274.10
	9.60%	\$223.39	\$234.82	\$246.26	\$257.70	\$269.13

Appendix IV – Comparable Company Analysis



Broad base of comps was tiered to reflect relevance of operations in comparison to FedEx.

FedEx Comp Analysis

	Market Capitalization Latest	LTM Net Debt	LTM Minority Interest	Cash & Equivalents	Total Enterprise Value	LTM Total Revenue	LTM EBIT	EV / Revenue	EV/EBIT
Tier 1									
United Parcel Service, Inc. (NYSE:UPS)	83,641.8	22,703.0	28.0	5,887.0	106,372.8	88,661.0	8,524.0	1.20	12.48
Deutsche Post AG (XTRA:DHL)	57,778.4	25,962.9	458.86	3,911.9	84,200.2	96,677.9	6,244.5	0.87	13.48
Tier 2									
C.H. Robinson Worldwide, Inc. (NasdaqGS:CHRW)	20,070.6	1,234.5	-	160.9	21,305.2	16,232.8	832.2	1.31	25.60
Expeditors International of Washington, Inc. (NYSE:EXPD)	18,879.7	(743.7)	2.46	1,314.3	18,138.5	11,069.0	1,052.5	1.64	17.23
JD Logistics, Inc. (SEHK:2618)	10,910.1	(783.1)	740.55	2,613.5	10,868.3	31,503.9	758.6	0.34	14.33
S.F. Holding Co., Ltd. (SZSE:002352)	26,365.9	1,235.0	1,552.55	2,813.5	29,153.5	43,933.4	2,089.9	0.66	13.95
Tier 3									
Amazon.com, Inc. (NasdaqGS:AMZN)	2,224,705.00	55,518.00 -	-	86810	2,280,223.00	716,924.00	79,975.00	3.18	28.51
TFI International Inc. (TSX:TFIL)	8,586.10	3,013.80 -	-	-	11,580.00	7,884.70	555.7	1.47	20.84
GXO Logistics, Inc. (NYSE:GXO)	5,920.4	5,000.0	32.0	854.0	10,952.4	13,178.0	444.0	0.83	24.67
Hub Group, Inc. (NasdaqGS:HUBG)	2,205.8	379.1	53.14	119.7	2,638.0	3,728.9	145.0	0.71	18.19
FedEx Corporation (NYSE:FDX)	85,888.9	33,803.0	-	8008	119,691.9	91,933.0	7,231.0	1.30	16.55
Summary Statistics									
Tier 1									
Median	70,710.1	24,332.95	243.43	4,899.45	95,286.5	92,669.45	7,384.25	1.04	12.98
Tier 2									
Median	19475.15	245.40	740.55	1963.90	19721.85	23868.35	942.35	0.99	15.78
Tier 3									
Median	7,253.25	4,006.9	42.57	854.0	11,266.2	10,531.35	499.85	1.15	22.75

	Implied Share Price	EV / EBIT	EV / Revenue
75%	Median Multiple Tier 1	12.98	1.04
15%	Median Multiple Tier 2	15.78	0.99
10%	Median Multiple Tier 3	22.75	1.15
	FedEx 2026 E	7,395.00	98072.00
	Implied Enterprise Value	106,329.10	101966.26
	(-) Debt	42,022.00	42022.00
	(-) Minority Interest	-	-
	(+) Cash & Eq.	8,008.00	8008.00
	Implied Equity Value	72,315.10	67952.26
	Shaes O/S	238.61	238.61
	Implied Share Price	\$303.07	\$284.78

Appendix V - Peak to Trough 5-Year Multiple Midpoint



5-year historical average for EV/REV & E/EBIT, implied share price calculated using FY2027E financial metrics

Current Cycle	Units	EV/REV	EV/EBIT
5-Year Historical Average	x	1.09x	15.84x
FedEx Revenue and EBIT 2027E	(US\$M)	\$98,072	\$7,395
Implied EV	(US\$M)	106,898	117,137
- Net Debt	(US\$M)	34,014	34,014
Implied Equity Value	(US\$M)	72,884	83,123
Shares Outstanding	MMs	238.61	238.61
Implied Share Price	US\$	\$305.45	\$348.36

Appendix VI – Pricing Model



Breakdown of varying services offered by FedEx across package sizing, speed, and geography.

FedEx Express Yield Per Package

Category	Yield (trailing 12-month avg)	YoY % Change	Key Pricing Driver
U.S. Priority	\$25.95	+3.04%	Weight, Zone, Service
U.S. Deferred	\$18.79	-1.16%	Weight, Zone, Service
U.S. Ground	\$11.90	+0.43%	Weight, Zone, Service
International Priority	\$60.84	+6.38%	Weight, Country/Zone, Service
International Economy	\$41.18	-9.54%	Weight, Country/Zone, Service





FedEx Freight Yield Per Shipment

Category	Yield (trailing 12-month avg)	YoY % Change	Key Pricing Driver
Priority	\$357.73	-0.70%	Weight, Zone, Size (truck space), Service
Economy	\$405.40	-1.39%	Weight, Zone, Size (truck space), Service

Appendix VII – Fuel Surcharge



Data as of April 6th, 2026.

Company	Operation	Fuel Surcharge
 (From Base \$3.55)	Domestic Ground	26.50%
	Home Delivery	26.50%
	International Ground	26.50%
	Pickup	26.50%
	Freight Express	40.25%
	Freight LTL	49.80%
	Across all shipping (per package)	3.5%
	Across all shipping (per package)	8.0%
	Across all shipping (per package)	8.5%

Appendix VIII – Fleet Overview



	Cost New	Payload (LB)	Avg Age	# In Service	% of Fleet Size	% of Fleet Capacity	
Freight Planes	Boeing 757-200	\$65,000,000	63,000	33y	90	12.9%	10.8%
	Boeing 767F	\$220,300,000	127,100	6y	145	20.8%	35.2%
	Boeing MD11	\$132,000,000	192,600	31y	34	4.9%	12.5%
	Boeing 777F	\$352,300,000	233,300	9y	59	8.5%	26.3%
	Airbus A300-600	\$105,000,000	106,600	34y	58	8.3%	11.8%
Feeder Planes	Cessna 208B	\$2,200,000	2,830	25y	226	32.4%	1.2%
	Cessna 408	\$7,000,000	6,000	3y	27	3.9%	0.3%
	ATR-72	\$19,500,000	17,970	28y	19	2.7%	0.7%
	ATR-72 600F	\$26,000,000	19,290	5y	24	3.4%	0.9%
	ATR-42	\$9,500,000	12,070	30y	16	2.3%	0.4%

20.4y 698 planes 55% of planes make up 97% of capacity



Boeing 777F
(59 in use)



Boeing 767F
(145 in use)



Cessna 208B
(226 in use)



MD11
(34 in fleet, grounded by FAA)

Appendix IX – Economic Value-Added Spread



Low ROIC falling behind WACC, leading to consistent value destruction.

