

Key Takeaways

- FedEx reported stronger-than-expected fourth-quarter earnings, sending the stock more than 14% higher in extended trading Tuesday.
- The company's revenue grew slightly from the year-ago period and came in ahead of expectations. Net income declined on a year-over-year basis, but beat estimates.
- FedEx CEO Raj Subramaniam said the results reflect the company's initiatives to drive profitability and cut costs, and that the company expects the "momentum to continue."

FedEx (FDX) reported better-than-expected quarterly earnings on Tuesday, sending shares of the parcel deliver company sharply higher in extended trading.

The company reported revenue of \$22.1 billion for the fiscal fourth quarter of 2024, up from the year-ago period and slightly above analysts' expectations, according to estimates compiled by Visible Alpha.

Net income came in at \$1.47 billion, or \$5.94 per diluted share, down from \$1.54 billion, or \$6.05 per share, in the same period a year prior, but surpassing analysts' projections. Excluding one-time items, adjusted earnings increased nearly 10% to \$5.41 per share.

FedEx reported full-year revenue of \$87.7 billion, down from fiscal 2023, but roughly in line with analysts' estimates. Full-year net income was \$4.33 billion, up from the year-ago period and above Street expectations.

CEO Sees Momentum Continuing in Fiscal 2025

FedEx CEO Raj Subramaniam said the company "made significant progress in fiscal 2024 and ended the year strong, delivering four consecutive quarters of expanding operating income and margin in a challenging revenue environment."

"These results are unprecedented in this current environment, reflecting our continued execution of our DRIVE initiatives and our resolve to transform FedEx while we deliver outstanding service to our customers," Subramaniam said. Fedex's DRIVE program is focused on driving profit by cutting costs.

The CEO added that the company "expect[s] this momentum to continue in fiscal 2025 as we advance our efforts to create the world's most flexible, efficient, and intelligent network."

The company guided low-to-mid single-digit percent revenue growth in fiscal 2025.

FedEx shares were up 14.1% at \$292.60 in after-hours trading.

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