



European Debt Investor Update

As of October 30th, 2018

Supplement to FedEx Roadshow presentation available on our website (investors.fedex.com).

Forward-Looking Statements

Certain statements in this presentation may be considered forward-looking statements, such as statements relating to management's views with respect to future events and financial performance. 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 global markets in which we operate, a significant data breach or other disruption to our technology infrastructure, anti-trade measures and changes in international trade policies, our ability to successfully integrate the businesses and operations of FedEx Express and TNT Express in the expected time frame and at the expected cost, changes in fuel prices or currency exchange rates, our ability to match capacity to shifting volume levels, new U.S. domestic or international government regulation, future guidance, regulations, interpretations or challenges to our tax positions relating to the Tax Cuts and Jobs Act (TCJA) and our ability to realize the benefits of certain provisions of the TCJA, our ability to effectively operate, integrate, leverage and grow acquired businesses, our ability to achieve our FedEx Express segment profit improvement goal, legal challenges or changes related to owner-operators engaged by FedEx Ground and the drivers providing services on their behalf, disruptions or modifications in service by, or changes in the business or financial soundness of, the U.S. Postal Service, the impact of any international conflicts or terrorist activities and other factors which can be found in FedEx Corp.'s and its subsidiaries' press releases and FedEx Corp.'s filings with the SEC. 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.

Investment Grade Credit Profile

Capitalization (\$B)	Adj'd Q1	
	Q1 FY19	FY19 ¹
Short-term borrowings	\$ 0.3	\$ 0.3
Current portion of long-term debt	\$ 1.4	\$ 0.6
Total long-term debt, less current portion	\$ 15.2	\$ 16.5
Total common stockholders' investment	\$ 19.2	\$ 19.2
Total Capitalization	\$ 36.1	\$ 36.6

¹Adjusted for Oct 15, 2018 debt issuance and Nov 2018 early redemption of 8% note maturing Jan 2019.

Credit Ratings

S&P	BBB (stable)
Moody's	Baa2 (stable)

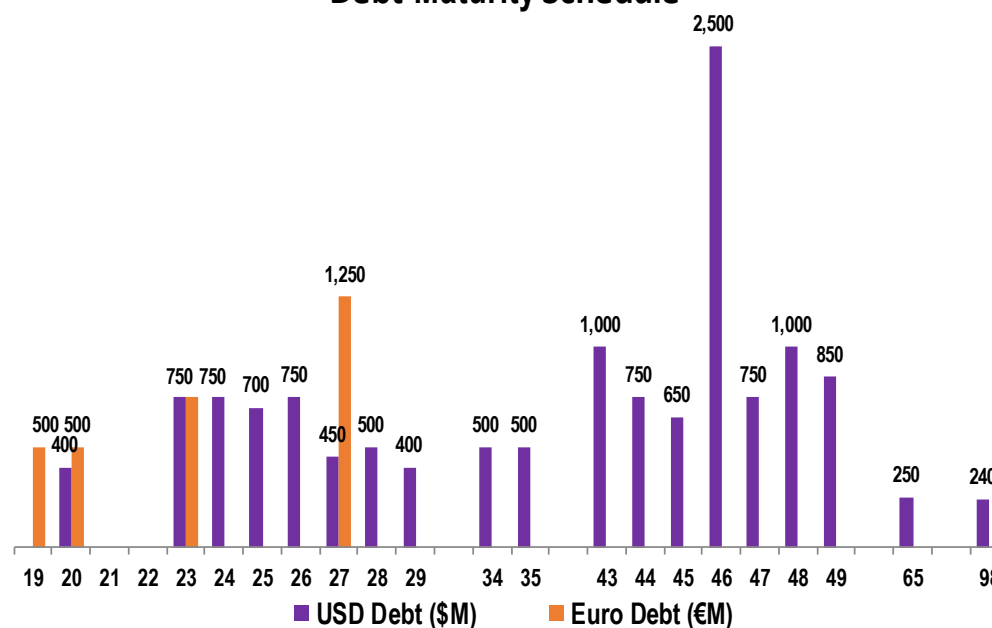
Credit Stats and Financial Summary

	FY18
Total Debt / Adj EBITDA ²	2.0
Net Debt / Adj EBITDA ²	1.6
Adj EBITDA (\$B) ²	8.2

²Non-GAAP reconciliations included herein.



Debt Maturity Schedule³

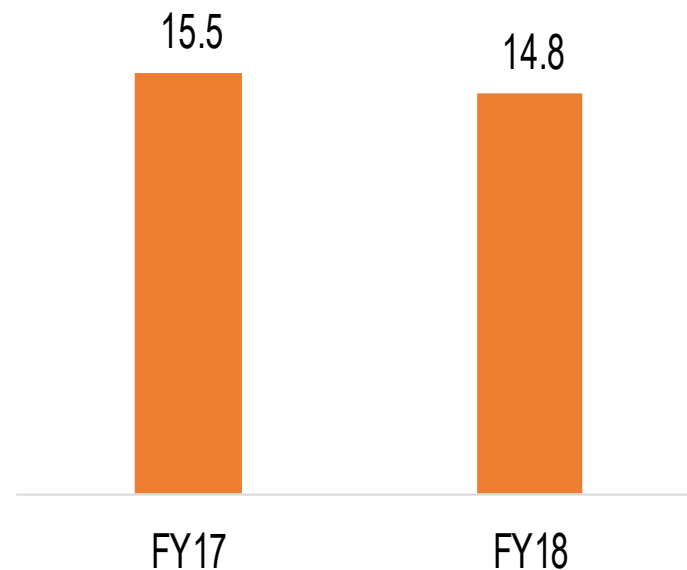
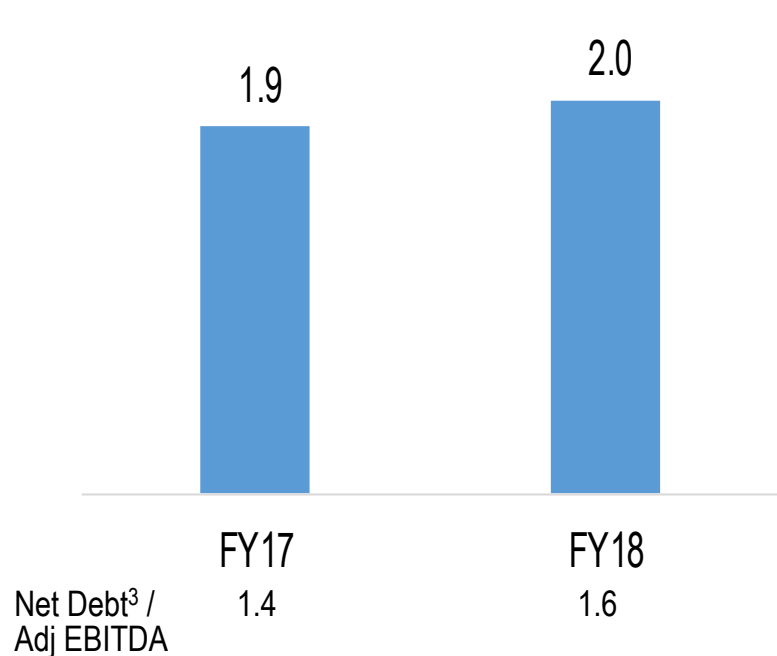


³Includes Oct 15, 2018 debt issuance and excludes Nov 2018 early redemption of 8% note maturing Jan 2019.

Investment Grade Credit Profile

Total Debt¹ / Adj EBITDA²

Adj EBITDA² / Interest Expense



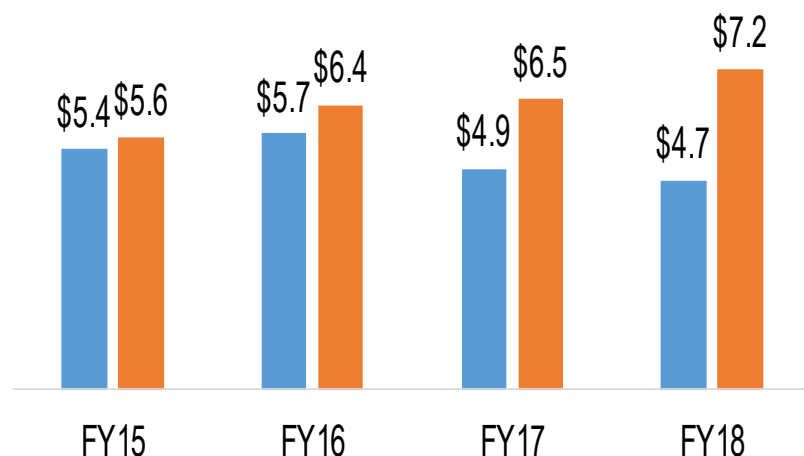
¹Defined as current portion of long term debt plus long-term debt, less current portion. Non-GAAP reconciliations included herein.

²Non-GAAP reconciliations included herein; FY17 and FY18 have been recast to reflect the new pension accounting rules in effect beginning in FY19.

³Defined as total debt less cash and cash equivalents. Non-GAAP reconciliations included herein.

Free Cash Flow

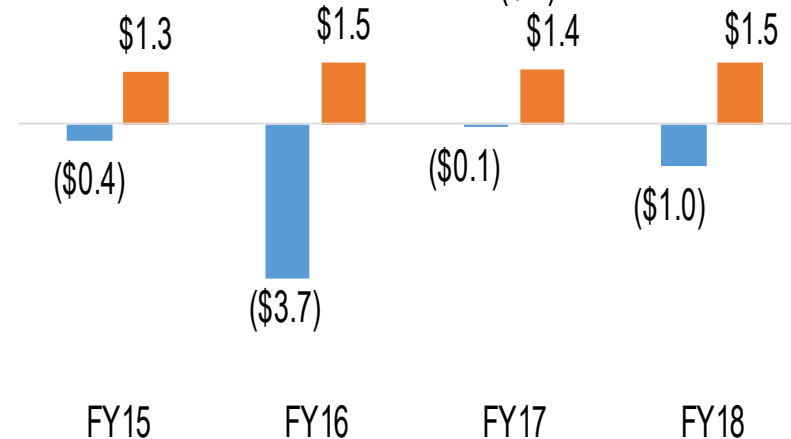
Cash Flow from Operations (\$B)



■ CF from Op ■ Excluding voluntary pension contributions²

Capital Expenditures	\$4.3	\$4.8	\$5.1	\$5.7
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Free Cash Flow (\$B)¹



■ FCF ■ Excludes acquisitions, dispositions, and voluntary pension contributions

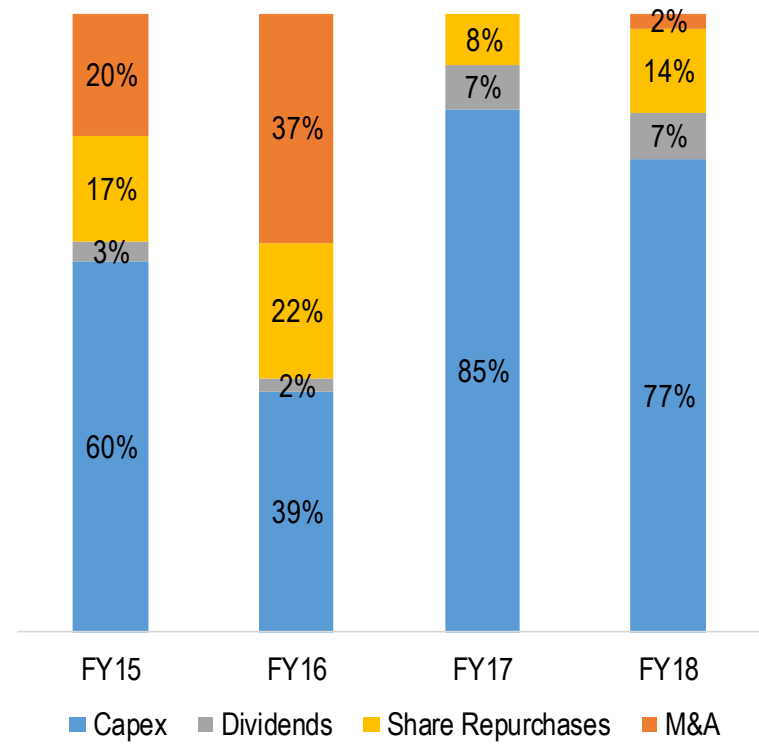
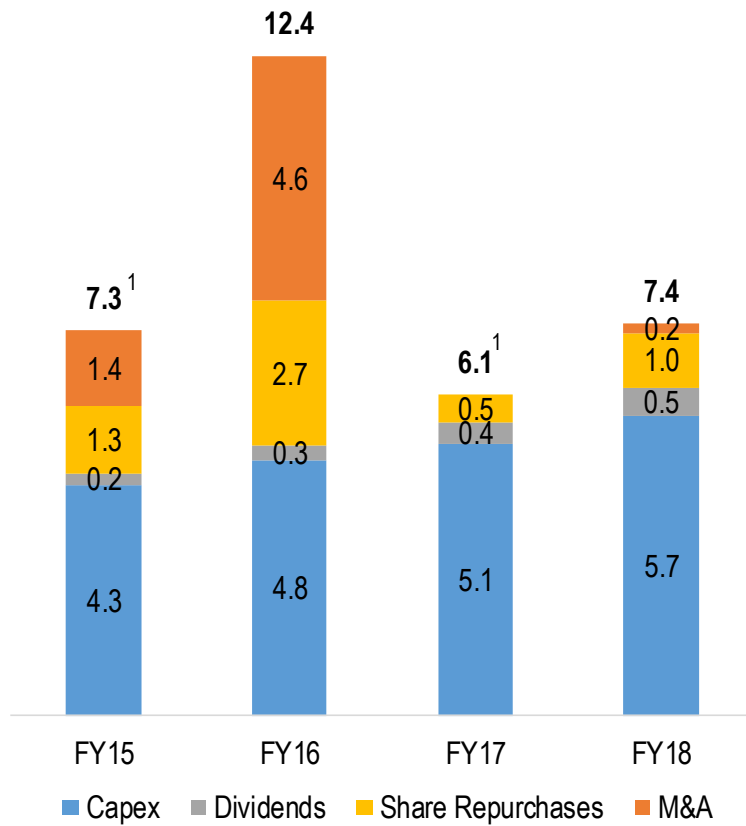
Adj'd FCF Conversion ³	23%	24%	21%	21%
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¹Defined as cash provided by operating activities, less cash used in investing activities. Non-GAAP reconciliations included herein.

²Non-GAAP reconciliations included herein.

³Defined as free cash flow excluding acquisitions, dispositions, and voluntary pension contributions divided by cash provided by operating activities excluding voluntary pension contributions.

Capital Allocation (\$B)



¹Does not sum to total due to rounding.

Explanatory Note on Non-GAAP Financial Measures

The company reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”). We have supplemented the reporting of our financial information determined in accordance with GAAP with certain non-GAAP (or “adjusted”) financial measures. The company’s non-GAAP financial measures may be calculated differently than and may not be comparable to similarly titled measures reported by other companies. Reconciliations of non-GAAP measures used in this presentation to the most directly comparable GAAP measures are included herein.

Additional information about FedEx’s historical financial results is available on our website (investors.fedex.com).

Appendix: Non-GAAP Adjusted EBITDA Reconciliation

<i>Dollars in millions</i>	<u>FY17</u>	<u>FY18</u>
Net Income - GAAP measure	\$ 2,997	\$ 4,572
Add: Provision for income taxes	1,582	(219)
Less: Other income (expense)	13	81
Operating Income - GAAP measure	4,566	4,272
Add: Depreciation and amortization	2,995	3,095
EBITDA - Non-GAAP Measure	<u>\$ 7,561</u>	<u>\$ 7,367</u>
<u>Non-operational or non-recurring charges Expense / (Benefit)</u>		
Add:		
FedEx Supply Chain goodwill and other asset impairments	-	380
FedEx Trade Networks Legal Matters	39	8
FedEx Ground Legal Matters	22	-
TNT Express (integration) expenses	327	477
Adjusted EBITDA - Non-GAAP measure	<u>\$ 7,949</u>	<u>\$ 8,232</u>

Appendix: Ratio Reconciliation

<i>Dollars in millions</i>	<u>FY17</u>	<u>FY18</u>	<u>Q1 FY19</u>	<u>Adj'd Q1 FY19¹</u>
Short-term borrowings	\$ -	\$ -	\$ 299	\$ 299
Current portion of long-term debt	22	1,342	1,404	654
Long-Term Debt, Less Current Portion	14,909	15,243	15,241	16,491
Total Debt - Non-GAAP Measure	\$ 14,931	\$ 16,585	\$ 16,944	\$ 17,444
Cash and cash equivalents	(3,969)	(3,265)	(2,369)	
Net Debt - Non-GAAP Measure	\$ 10,962	\$ 13,320	\$ 14,575	

¹Adjusted for Oct 15, 2018 debt issuance and Nov 2018 early redemption of 8% note maturing Jan 2019.

<i>Dollars in millions</i>	<u>FY17</u>	<u>FY18</u>
<u>Total Debt / Adjusted EBIT DA</u>		
Total Debt - Non-GAAP Measure ²	\$ 14,931	\$ 16,585
Adjusted EBIT DA - Non-GAAP Measure ²	\$ 7,949	\$ 8,232
Total Debt / Adjusted EBIT DA	1.9	2.0
<u>Net Debt / Adjusted EBIT DA</u>	<u>FY17</u>	<u>FY18</u>
Net Debt - Non-GAAP Measure ²	\$ 10,962	\$ 13,320
Adjusted EBIT DA - Non-GAAP Measure ²	\$ 7,949	\$ 8,232
Net Debt / Adjusted EBIT DA	1.4	1.6
<u>Adjusted EBIT DA / Interest Expense</u>		
Adjusted EBIT DA - Non-GAAP Measure ²	\$ 7,949	\$ 8,232
Interest Expense - GAAP Measure	\$ 512	\$ 558
Adjusted EBIT DA / Interest Expense	15.5	14.8

²Non-GAAP reconciliations included herein.

Appendix: Free Cash Flow Reconciliation

Dollars in millions

Free Cash Flow (FCF)

Cash Provided by operating activities - GAAP measure

Cash used in investing activities

Free Cash Flow - Non-GAAP measure

<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
\$ 5,366	\$ 5,708	\$ 4,930	\$ 4,674
(5,752)	(9,446)	(4,981)	(5,677)
\$ (386)	\$ (3,738)	\$ (51)	\$ (1,003)

FCF excluding acquisitions, dispositions, and voluntary pension contributions - Non-GAAP measure

Cash provided by operating activities - GAAP measure

Add back voluntary pension contributions

Cash Provided by operating activities excluding voluntary pension contributions - Non-GAAP measure

Capital Expenditures

FCF excluding acquisitions, dispositions, and voluntary pension contributions - Non-GAAP measure

<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
\$ 5,366	\$ 5,708	\$ 4,930	\$ 4,674
272	652	1,541	2,478
5,638	6,360	6,471	7,152
(4,347)	(4,818)	(5,116)	(5,663)
\$ 1,291	\$ 1,542	\$ 1,355	\$ 1,489

FCF excluding acquisitions, dispositions, and voluntary pension contributions- Non-GAAP measure

Cash Provided by operating activities excluding voluntary pension contributions - Non-GAAP measure

Adjusted FCF Conversion

<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
\$ 1,291	\$ 1,542	\$ 1,355	\$ 1,489
\$ 5,638	\$ 6,360	\$ 6,471	\$ 7,152
23%	24%	21%	21%