

FEDEX CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

	May 31,	
	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,319	\$ 3,265
Receivables, less allowances of \$300 and \$401	9,116	8,481
Spare parts, supplies and fuel, less allowances of \$335 and \$268	553	525
Prepaid expenses and other	1,098	1,070
Total current assets	13,086	13,341
PROPERTY AND EQUIPMENT, AT COST		
Aircraft and related equipment	22,793	20,749
Package handling and ground support equipment	10,409	9,727
Information technology	6,268	5,794
Vehicles and trailers	8,339	7,708
Facilities and other	11,702	11,143
	59,511	55,121
Less accumulated depreciation and amortization	29,082	26,967
Net property and equipment	30,429	28,154
OTHER LONG-TERM ASSETS		
Goodwill	6,884	6,973
Other assets	4,004	3,862
Total other long-term assets	10,888	10,835
	<u>\$ 54,403</u>	<u>\$ 52,330</u>

The accompanying notes are an integral part of these consolidated financial statements.

FEDEX CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Years ended May 31,		
	2019	2018	2017
REVENUES	\$ 69,693	\$ 65,450	\$ 60,319
OPERATING EXPENSES:			
Salaries and employee benefits	24,776	23,795	21,989
Purchased transportation	16,654	15,101	13,630
Rentals and landing fees	3,360	3,361	3,240
Depreciation and amortization	3,353	3,095	2,995
Fuel	3,889	3,374	2,773
Maintenance and repairs	2,834	2,622	2,374
Business realignment costs	320	—	—
Goodwill and other asset impairment charges	—	380	—
Other	10,041	9,450	8,752
	65,227	61,178	55,753
OPERATING INCOME	4,466	4,272	4,566
OTHER (EXPENSE) INCOME:			
Interest expense	(588)	(558)	(512)
Interest income	59	48	33
Other retirement plans (expense) income	(3,251)	598	471
Other, net	(31)	(7)	21
	(3,811)	81	13
INCOME BEFORE INCOME TAXES	655	4,353	4,579
PROVISION FOR INCOME TAXES (BENEFIT)	115	(219)	1,582
NET INCOME	\$ 540	\$ 4,572	\$ 2,997
BASIC EARNINGS PER COMMON SHARE	\$ 2.06	\$ 17.08	\$ 11.24
DILUTED EARNINGS PER COMMON SHARE	\$ 2.03	\$ 16.79	\$ 11.07

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FEDEX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	Years ended May 31,		
	2019	2018	2017
OPERATING ACTIVITIES			
Net income	\$ 540	\$ 4,572	\$ 2,997
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	3,353	3,095	2,995
Provision for uncollectible accounts	295	246	136
Deferred income taxes and other noncash items	(233)	(231)	909
Stock-based compensation	174	167	154
Retirement plans mark-to-market adjustment	3,882	(10)	(24)
Gain from sale of business	(8)	(85)	—
Gain from sale of investment	—	—	(35)
Business realignment costs	101	—	—
Goodwill and other asset impairment charges	—	380	—
Changes in assets and liabilities:			
Receivables	(873)	(1,049)	(556)
Other current assets	(25)	(135)	78
Pension and postretirement healthcare assets and liabilities, net	(909)	(2,345)	(1,688)
Accounts payable and other liabilities	(571)	141	103
Other, net	(113)	(72)	(139)
Cash provided by operating activities	5,613	4,674	4,930
INVESTING ACTIVITIES			
Capital expenditures	(5,490)	(5,663)	(5,116)
Business acquisitions, net of cash acquired	(66)	(179)	—
Proceeds from sale of business	—	123	—
Proceeds from asset dispositions and other	83	42	135
Cash used in investing activities	(5,473)	(5,677)	(4,981)
FINANCING ACTIVITIES			
Principal payments on debt	(1,436)	(38)	(82)
Proceeds from debt issuances	2,463	1,480	1,190
Proceeds from stock issuances	101	327	337
Dividends paid	(683)	(535)	(426)
Purchase of treasury stock	(1,480)	(1,017)	(509)
Other, net	(4)	10	18
Cash (used in) provided by financing activities	(1,039)	227	528
Effect of exchange rate changes on cash	(47)	72	(42)
Net (decrease) increase in cash and cash equivalents	(946)	(704)	435
Cash and cash equivalents at beginning of period	3,265	3,969	3,534
Cash and cash equivalents at end of period	\$ 2,319	\$ 3,265	\$ 3,969

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