FedEx Corporation (NYSE: FDX)
Sector: Air Freight & Logistics
Industry: Courier

<table>
<thead>
<tr>
<th>Target Price</th>
<th>Current Price</th>
<th>52 Week High</th>
<th>52 Week Low</th>
<th>P/E</th>
<th>Market Cap</th>
<th>Dividend Yield</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>177.38</td>
<td>145.16</td>
<td>243.55</td>
<td>142.49</td>
<td>88.21</td>
<td>37.87B</td>
<td>1.79%</td>
<td>1.76</td>
</tr>
</tbody>
</table>

**Business Description:**
FedEx provides a portfolio of transportation, e-commerce and business services through companies competing collectively, operating independently and managed collaboratively, under the FedEx brand. The Company's segments include FedEx Express, TNT Express, FedEx Ground, FedEx Freight and FedEx Services. The FedEx Express segment offers a range of the United States domestic and international shipping services for delivery of packages and freight. TNT Express segment collects, transports and delivers documents, parcels and freight on a day-definite or time-definite basis. The FedEx Ground segment provides business and residential money-back guaranteed ground package delivery services. The FedEx Freight segment offers less-than-truckload (LTL) freight services. The FedEx Services segment provides its other companies with sales, marketing, information technology, communications, customer service and other back-office support.

**Industry Trends:**
The significance of B2C trade will continue to grow. Probably up to an extent where it will surpass B2B revenue. FedEx is ending its relationship with USPS to offer last-mile delivery themselves. Better Additionally, the improvement of technology and AI will shape the industry as self-driving cars and automatic package sorting systems are becoming increasingly popular. Lastly, companies are making a strong push to offer same day delivery as technology makes it possible to ship packages quickly and efficiently.

**Risks:**
FedEx revenues depend on the buying power of the consumers and businesses. Therefore, they are heavily subjected to market risk. Overseas trade regulations (namely the trade war) can pose a problem to FedEx international shipping, driving costs up and revenues down. With 31.7% of FedEx’s revenues coming from international sales, this can be a serious issue if tariffs continue to rise.

**5 Year Stock Performance:**

**Competitive Analysis:**
FedEx remains a top delivery, courier, and shipping service by going above and beyond the competition. In 2020, FedEx plans to expand operations to seven days a week, unlike the five days a week pertaining to the rest of the industry. Additionally, FedEx reinvests a large portion of their cash & cash equivalents back into the company using a permanent reinvestment strategy. They plan to purchase 24 planes totaling $6.6 billion in capital expenditures in 2020. Their global footprint is constantly growing with three overseas acquisitions since 2017, while remaining a top domestic competitor.

**Management:**
Frederick W. Smith, Chairman & CEO
- Founded the company in 1971 after having intuition about overnight package delivery
- Owns 7.47% of shares

Alan B. Graf Jr., Executive VP & CFO
- Graf Jr. has been with the company since 1980
- Started as a senior financial analyst and worked his way up
<table>
<thead>
<tr>
<th>Goals</th>
<th>FedEx</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Directors %</td>
<td>91.7%</td>
<td>55.6%</td>
</tr>
<tr>
<td>(higher is better)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Board Members that</td>
<td>33.3%</td>
<td>18.3%</td>
</tr>
<tr>
<td>Are Women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(higher is better)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost Time Incident Rate</td>
<td>3.34</td>
<td>4.3</td>
</tr>
<tr>
<td>(lower is better)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director Meeting Attd %</td>
<td>96%</td>
<td>86%</td>
</tr>
<tr>
<td>(higher is better)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Investment in communities
- **Goals**: Invest $200 million in 200 communities around the world by 2020.
- **Progress**: $101.66m spent since 2016, 134 communities supported, including 37 additional communities in FY17.
- **Team members also provided 111,200 volunteer hours in FY17.**

### Aircraft emissions
- **Goals**: Reduce aircraft emissions intensity 30% from a 2005 baseline by 2020.
- **Progress**: 22.2% reduction from a 2005 baseline.
- **Additional Outcomes**: Our aircraft modernization and FedEx® Fuel Sense programs avoided more than 1.7 million metric tons of CO₂e emissions in FY17.

### Vehicle fuel efficiency
- **Goals**: Increase FedEx Express vehicle fuel efficiency 50% from a 2005 baseline by 2025.
- **Progress**: Improved fuel efficiency by 2.9 percentage points during FY17, contributing to a 37.9% improvement from a 2005 baseline.
- **Additional Outcomes**: 219,714 metric tons of CO₂e emissions avoided in FY17. Increased efficiency due to:
  - Upgrading our vehicle fleet and implementing innovative technologies, including use of alternative fuels; and
  - Improving operations through routing and automation.

### Alternative fuels
- **Goals**: Obtain 30% of jet fuel from alternative fuels by 2030.
- **Progress**: The first delivery of commercially viable and available alternative jet fuels is anticipated in 2020.

### LEED-certified facilities
- **Goals**: Seek LEED (Leadership in Energy and Environmental Design) certification on all new U.S. FedEx Express buildings.
- **Progress**: Two new LEED-certified facilities in FY17, 14 total LEED-certified facilities at the end of FY17, totaling 218,698 square meters.
- **Additional Outcomes**: FedEx Express also has three LEED-certified facilities outside the U.S. FedEx Office has six LEED-certified facilities, all of which are in the U.S.

### Renewable energy
- **Goals**: Expand on-site energy generation and continue to procure renewable energy for facilities.
- **Progress**: Two new solar installations in FY17, 20 total on-site solar installations at end of FY17.
- **Additional Outcomes**: 20.8 million kWh generated in FY17, 12,425 metric tons of CO₂e emissions avoided in FY17.

---

**Environment, Social and Governance (ESG) Ratings**

<table>
<thead>
<tr>
<th>Total ESG score</th>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>69</strong></td>
<td>93rd percentile</td>
<td><strong>71</strong></td>
<td>82nd percentile</td>
</tr>
</tbody>
</table>