3Q23

Earnings Call

October 26, 2023

PJ Guido

Investor Relations Officer

UPS Speakers

Carol B. Tomé
Chief Executive Officer

Brian Newman
Chief Financial Officer

Forward-Looking Statements and Non-GAAP Reconciliations

Forward-Looking Statements

This presentation and our filings with the Securities and Exchange Commission contain and in the future may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than those of current or historical fact, and all statements accompanied by terms such as "will," "believe," "project," "expect," "estimate," "assume," "intend," "anticipate," "target," "plan," and similar terms, are intended to be forward-looking statements. Forward-looking statements are made subject to the safe harbor provisions of the federal securities laws pursuant to Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

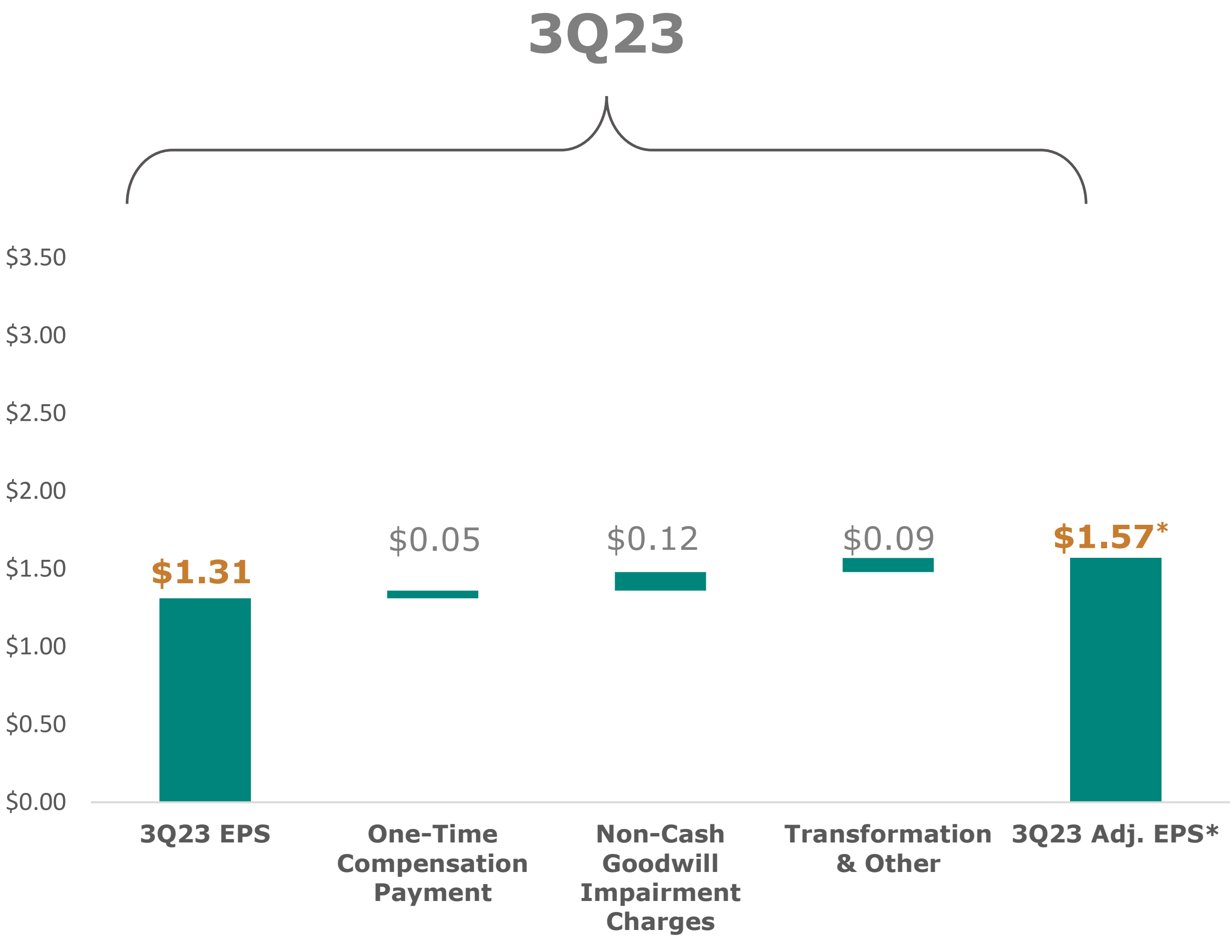
From time to time, we also include written or oral forward-looking statements in other publicly disclosed materials. Forward-looking statements may relate to our intent, belief, forecasts of, or current expectations about our strategic direction, prospects, future results, or future events; they do not relate strictly to historical or current facts. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any forward-looking statements because such statements speak only as of the date when made and the future, by its very nature, cannot be predicted with certainty.

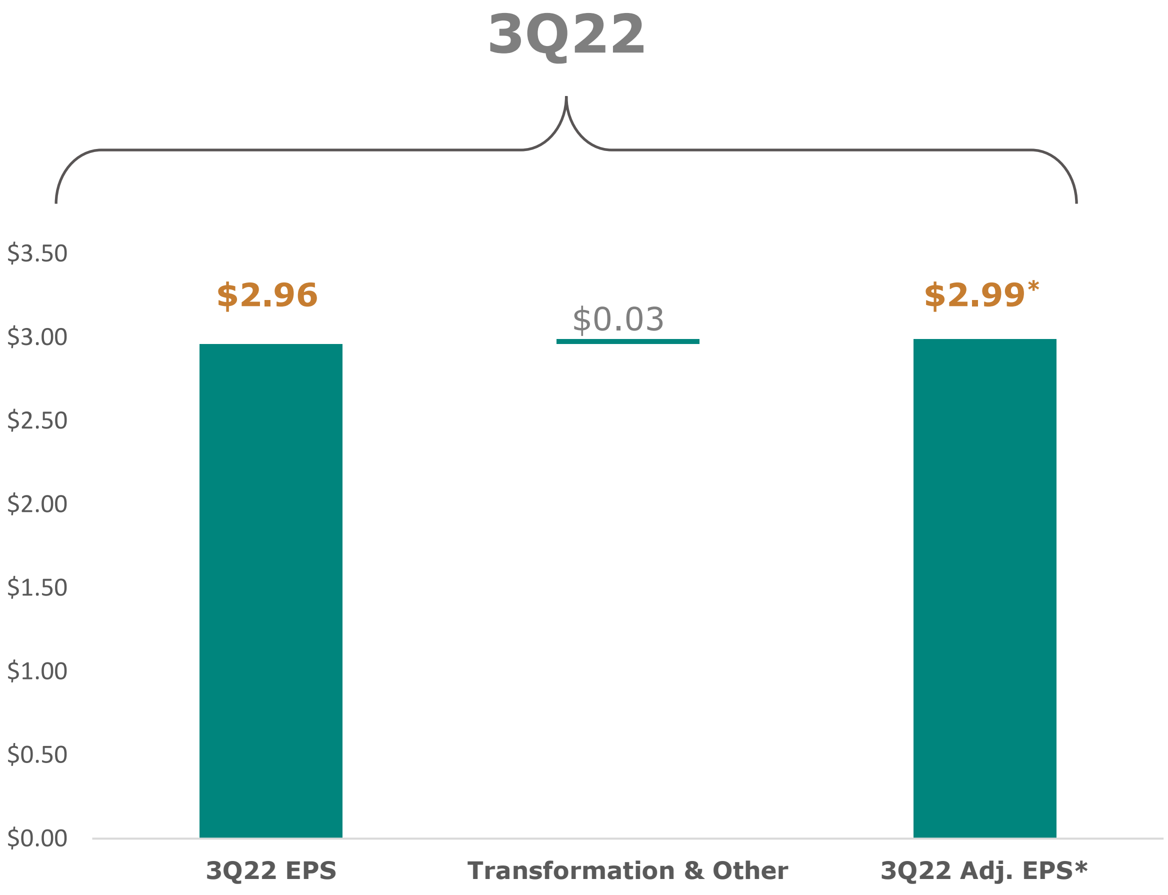
Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or anticipated results. These risks and uncertainties include, but are not limited to, the impact of: continued uncertainties related to the COVID-19 pandemic; changes in general economic conditions, in the U.S. or internationally; industry evolution and significant competition; changes in our relationships with any of our significant customers; our ability to attract and retain qualified employees; strikes, work stoppages or slowdowns by our employees; results of negotiations and ratifications of labor contracts; our ability to maintain our brand image and corporate reputation; increased or more complex physical security requirements; a significant data breach or information technology system disruption; global climate change; interruptions in or impacts on our business from natural or man-made events or disasters including terrorist attacks, epidemics or pandemics; exposure to changing economic, political and social developments in international markets; our ability to realize the anticipated benefits from acquisitions, dispositions, joint ventures or strategic alliances; changing prices of energy, including gasoline, diesel and jet fuel, or interruptions in supplies of these commodities; changes in exchange rates or interest rates; our ability to accurately forecast our future capital investment needs; significant expenses and funding obligations relating to employee health, retiree health and/or pension benefits; our ability to manage insurance and claims expenses; changes in business strategy, government regulations, or economic or market conditions that may result in impairments of our assets; potential additional U.S. or international tax liabilities; increasingly stringent laws and regulations, including relating to climate change; potential claims or litigation related to labor and employment, personal injury, property damage, business practices, environmental liability and other matters; and other risks discussed in our filings with the Securities and Exchange Commission from time to time, including our Annual Report on Form 10-K for the year ended December 31, 2022, and subsequently filed reports. You should consider the limitations on, and risks associated with, forward-looking statements and not unduly rely on the accuracy of predictions contained in such forward-looking statements. We do not undertake any obligation to update forward-looking statements to reflect events, circumstances, changes in expectations, or the occurrence of unanticipated events after the date of those statements.

Information, including comparisons to prior periods, may reflect adjusted results. See the appendix for reconciliations of adjusted results and other non-GAAP financial measures.

From time to time, the Company expects to participate in analyst and investor conferences. Materials provided or displayed at those conferences, such as slides and presentations, may be posted on our investor relations website at www.investors.ups.com under the heading "Presentations," when made available. These presentations may contain new material nonpublic information about the Company and you are encouraged to monitor this site for any new posts, as we may use this mechanism as a public announcement.

Diluted EPS





*Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.

Carol B. Tomé

Chief Executive Officer

Thank You

UPSers!

3Q23 Consolidated Results

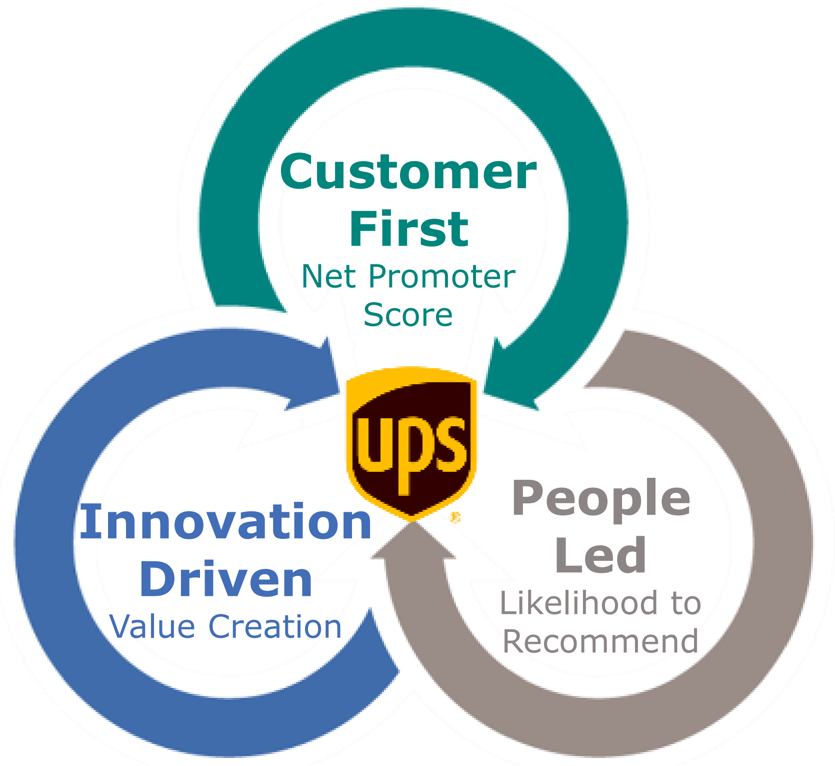
In $ Millions **(except per share)**	**3Q23**	**3Q22**	**Change Y/Y**
Total Revenue	$21,061	$24,161	-12.8%
Adj. Operating Profit*	$1,615	$3,149	-48.7%
Adj. Operating Margin*	7.7%	13.0%	-530 bps
Adj. Diluted EPS*	$1.57	$2.99	-47.5%

"With the third quarter behind us, we are laser focused on restoring volume in our network and executing our strategy to deliver shareowner value."

Carol B. Tomé, CEO

*Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.

Customer First, People Led, Innovation Driven



- Expanding global time-critical healthcare logistics with pending acquisition of MNX Global Logistics
- Opened seven dedicated healthcare facilities in 2023; on track to generate $10B in healthcare revenue this year
- Expanding returns portfolio with pending acquisition of Happy Returns, a technology-focused company enabling frictionless, no-box no-label returns
- Improving delivery experience with expansion of Delivery Photo; 92% of residential delivery stops globally include a photo proof of delivery
- Launched Hyper-local to provide select customers with a new fast, next-day delivery option
- Reducing misload rates with phase one of smart package smart facility; ~200 buildings with misload frequency rates of 1:2,500 packages or better; deploying phase two
- Leveraging transformative technology, including robotic trailer unloading

Ready to Deliver Another Successful Peak

- Industry-leading service for the last five peak seasons
- Leverage Network Planning Tools to adjust integrated network and operate efficiently
- Flexibility to use experienced part-time employees as seasonal support drivers
- Hiring over 100,000 seasonal employees to help process and deliver holiday volume
- Sped up digital hiring process, enabling qualified candidates to receive a job offer in less than 20 minutes

Brian Newman

Chief Financial Officer

3Q23 Consolidated Results

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Adj. Operating Margin*	7.7%	13.0%	-530 bps
Adj. Diluted EPS*	$1.57	$2.99	-47.5%

"Through the end of the quarter we adjusted our integrated network to support our customers' needs, managed cost and stayed focused on bringing volume back into our network."

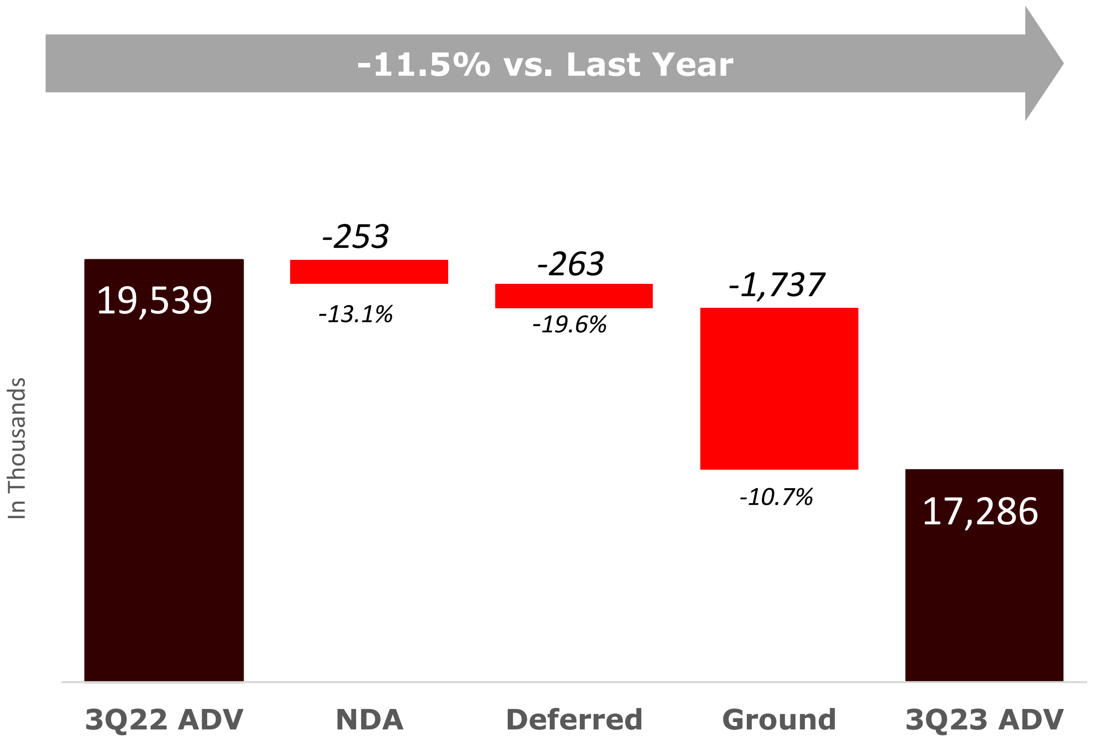
Brian Newman, CFO

*Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.

3Q Average Daily Volume Declined 11.5%

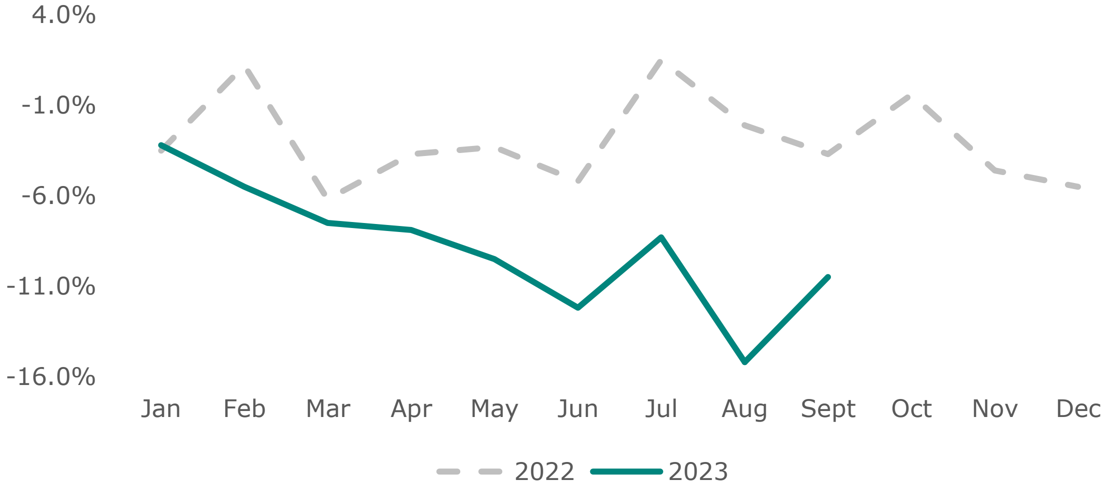
Continuing to see week-over-week volume levels improve, despite a challenging retail backdrop

ADV Change (Y/Y)

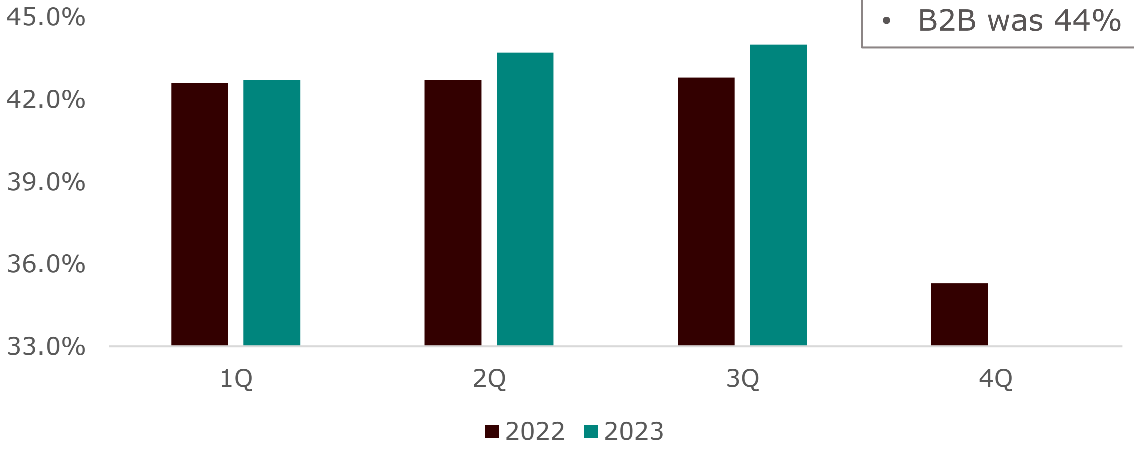


- Estimated impact of volume diversion reduced average daily volume by ~1.5M

Monthly ADV Growth (Y/Y)



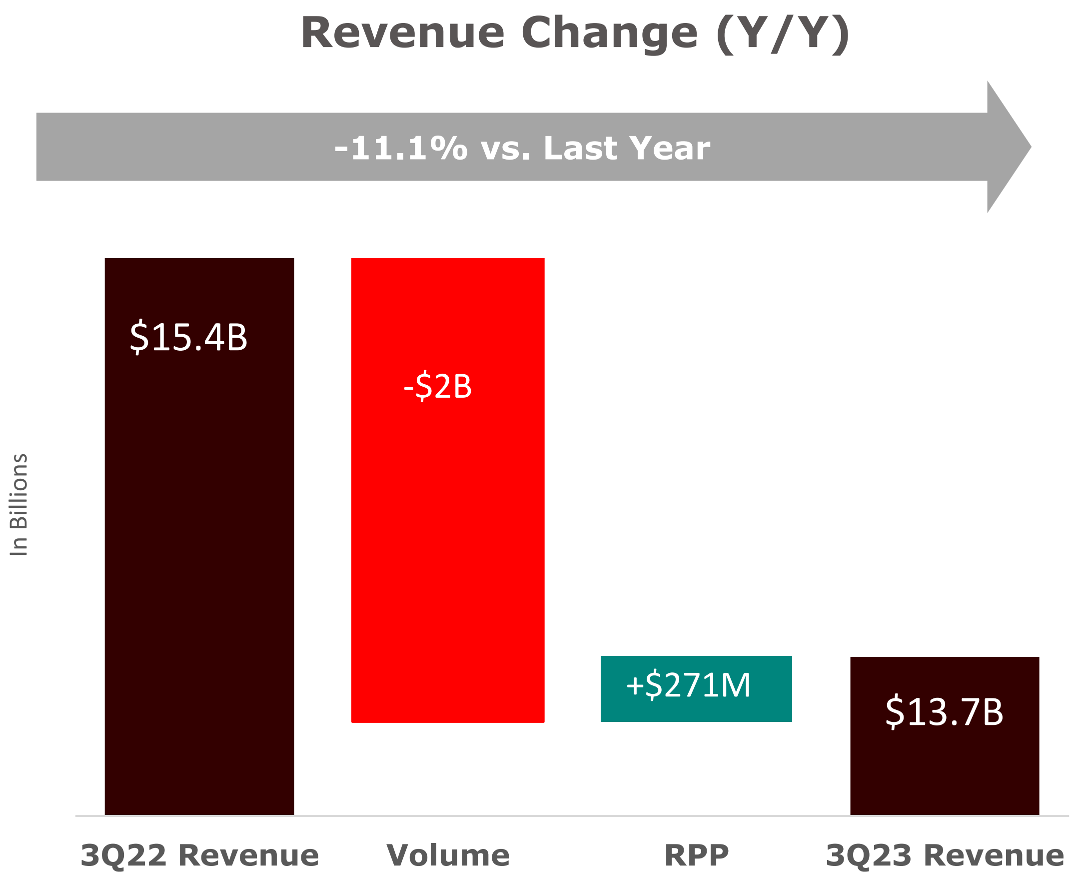
Quarterly B2B % of U.S. ADV Mix

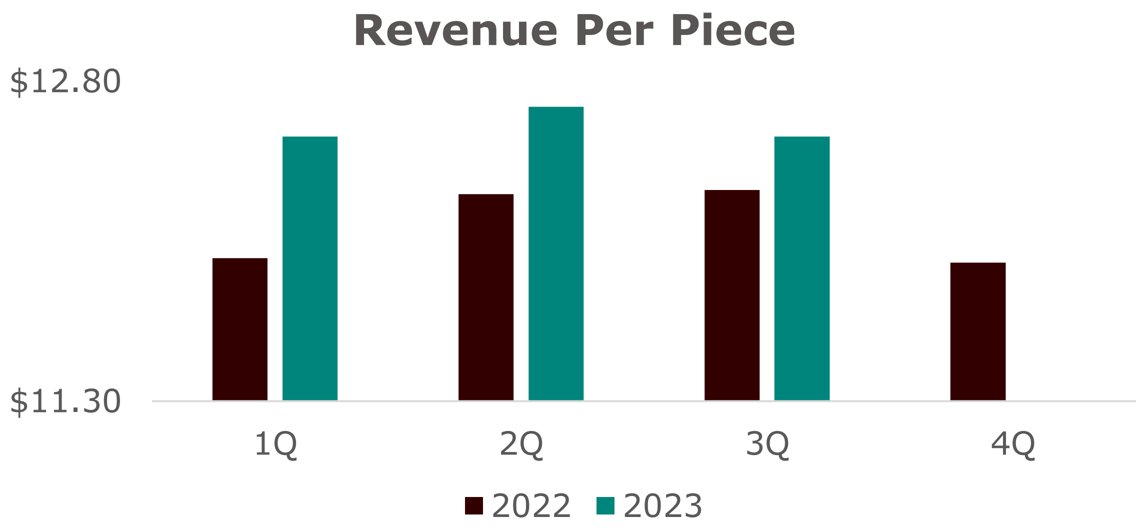


3Q23
- B2B declined 9.0%
- B2B was 44% of ADV

3Q Revenue of $13.7B, Down 11.1% YOY

Increased revenue per piece 2.0%





- 3Q revenue per piece (RPP) growth of 2.0%
  - Combination of strong base rates and improved customer and product mix increased RPP growth rate by 410 basis points
  - Fuel decreased the RPP growth rate by 190 basis points
  - Remaining 20 basis point decline due to multiple factors, including package characteristics

Delivered $665M in Adjusted Operating Profit* in 3Q

Leveraged Total Service Plan and Network Planning Tools to reduce total hours 11.4%

U.S. Domestic Results

	3Q23	3Q22	Change Y/Y
Total Revenue	$13.7B	$15.4B	-11.1%
Adj. Operating Profit*	$665M	$1.7B	-60.6%
Adj. Operating Margin*	4.9%	11.0%	-610 bps

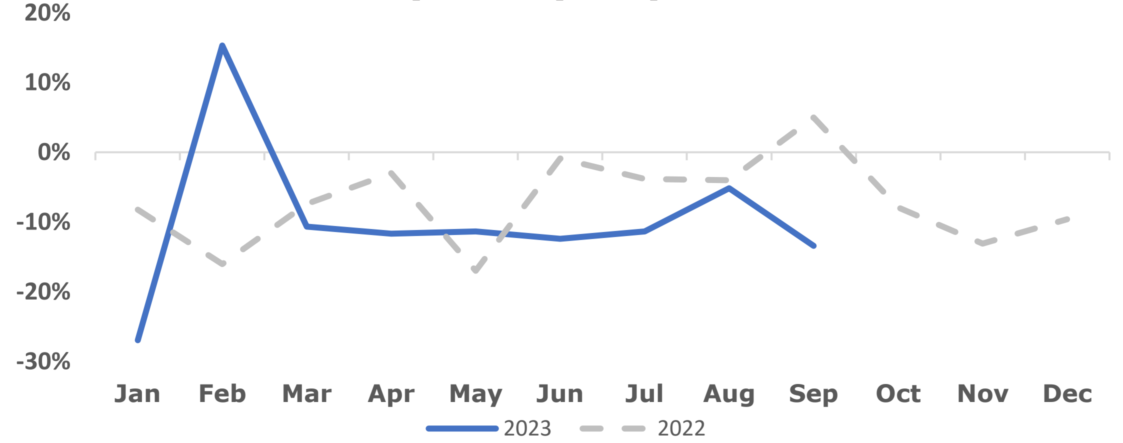
- Adjusted operating expense* was down 5.1%
  - Compensation and benefits decreased the total expense growth rate ~50 basis points
  - Reduced purchased transportation expense growth rate ~190 basis points, due to lower volume levels and our continued optimization efforts
  - Lower fuel costs contributed 170 basis points to the decrease in the total expense growth rate
  - The net of all other expense items and allocations reduced the expense growth rate 100 basis points
- Adjusted operating margin* of 4.9%

*Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.

3Q International Average Daily Volume Down 6.6%

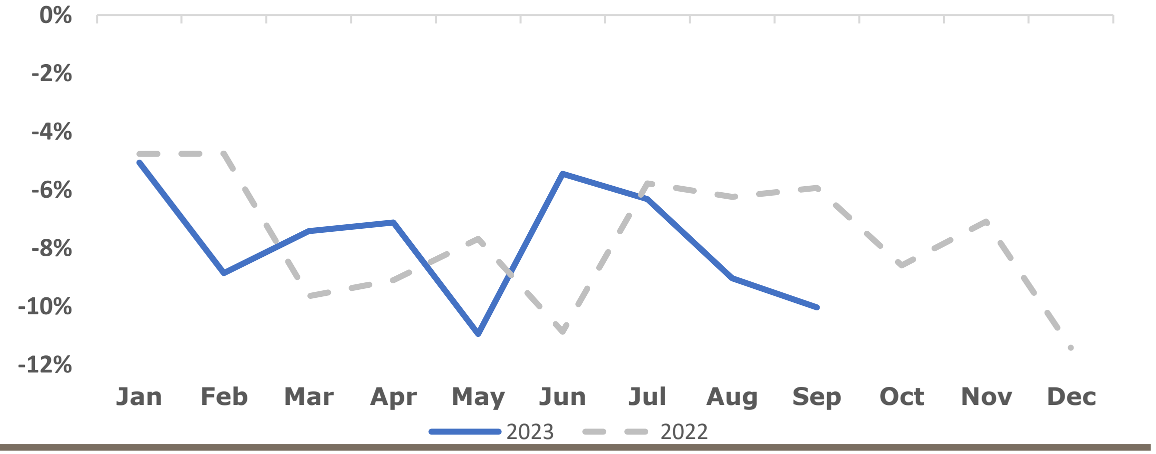
Domestic ADV down 9.1%; Export ADV down 4.1%

Total Asia Monthly ADV (Y/Y)

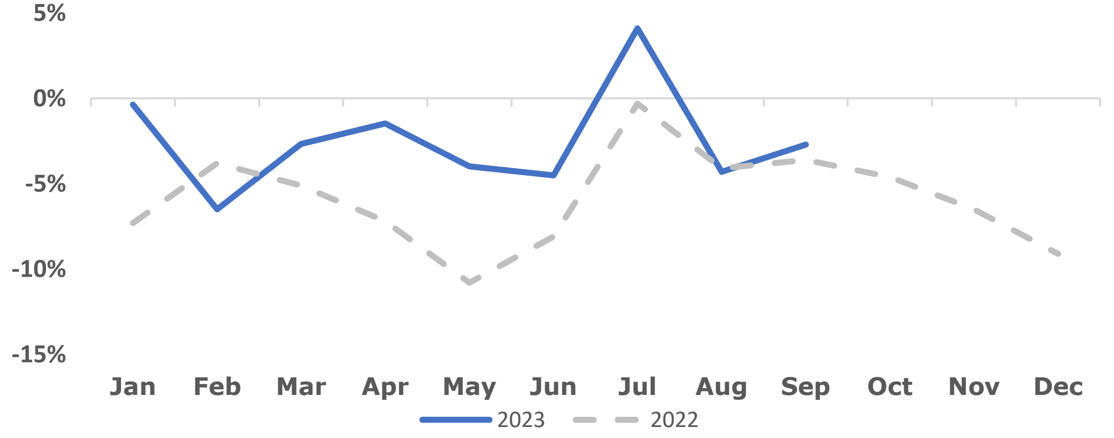


Lunar New Year occurred in January 2023 vs. February 2022

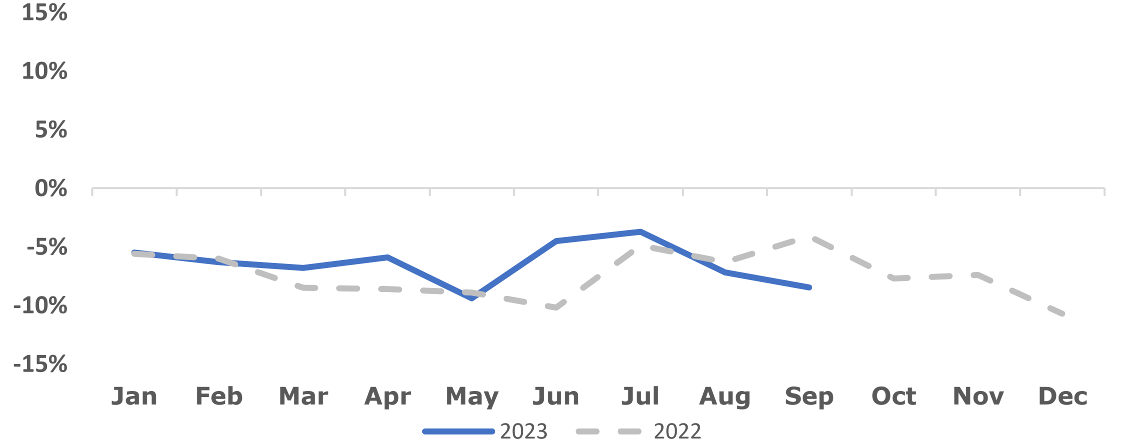
Total Europe Monthly ADV (Y/Y)



Total Americas* Monthly ADV (Y/Y)



Total Monthly ADV (Y/Y)



*Americas for 2023 includes U.S. Export ADV

Generated Adjusted Operating Profit* of $675M

Adjusted integrated network to match demand while delivering excellent service

International Results

	3Q23	3Q22	Change Y/Y
Total Revenue	$4.3B	$4.8B	-11.1%
Adj. Operating Profit*	$675M	$1.0B	-32.8%
Adj. Operating Margin*	15.8%	20.9%	-510 bps

- Revenue of $4.3B, down 11.1% Y/Y
- Revenue per piece declined 1.4% Y/Y driven by lower fuel surcharge revenue
- Adjusted operating expense* decreased $203M Y/Y, primarily driven by lower fuel expense
    - Flight reductions drove international block hours down 13.9%
    - Reduced headcounts in operations and overhead functions by 2,300 positions
- Adjusted operating margin* was 15.8%

*Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.

Navigated Weak Global Macro Environment While Reducing Cost

Supply Chain Solutions Results

	3Q23	3Q22	Change Y/Y
Total Revenue	$3.1B	$4.0B	-21.4%
Adj. Operating Profit*	$275M	$459M	-40.1%
Adj. Operating Margin*	8.8%	11.5%	-270 bps

- Revenue of $3.1B, down $854M Y/Y
  - Soft global demand drove down international air freight volume
  - Ocean freight grew volume, driven by the retail sector
  - Truckload brokerage unit continued to face market pressure
  - Logistics delivered revenue and operating profit growth
- Adjusted operating margin* of 8.8%

*Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.

3Q23 YTD Cash Flow and Dividends

3Q23 YTD Cash From Operations

$7.8B

-$2.9B Y/Y

3Q23 YTD Free Cash Flow*

$4.9B

YTD CapEx spend of $3.1B

3Q23 YTD Dividends Paid

$4.0B

$4.86 per share YTD

3Q23 YTD Share Buy Backs

$2.25B

Average price per share of ~$176

* Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.

2023 Full-year Consolidated Outlook

Lowered full-year guidance and provided a range to reflect the uncertainty in the market

Key Assumptions:

- *Demand softness with many customers who did not divert*
- *U.S.: Industry expert estimates for the increase in online holiday retail sales range from over 4% to 12%*
- *International: Further downturn in exports and lower consumer spending negatively impacting volume*
- *Forwarding: Increased air and ocean capacity putting additional pressure on market rates*

Consolidated Financial Targets:

- Revenue of between $91.3B - $92.3B
- Adjusted operating margin* between 10.8% - 11.3%

Capital Allocation:

- Capital expenditures of ~$5.3B
- Dividend payouts of ~$5.4B
- YTD debt repayments of $1.6B; expect to repay additional €700M in debt in 4Q23
- Share repurchases of $2.25B
- Targeting two acquisitions

* Non-GAAP financial measure.

Questions & Answers

Appendix

Reconciliation of GAAP and Non-GAAP Financial Measures

Non-GAAP Financial Measures; Reconciliations

From time to time we supplement the reporting of our financial information determined under generally accepted accounting principles ("GAAP") with certain non-GAAP financial measures.

Adjusted financial measures should be considered in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP. Our adjusted financial measures do not represent a comprehensive basis of accounting and therefore may not be comparable to similarly titled measures reported by other companies.

Forward-Looking Non-GAAP Metrics

From time to time when presenting forward-looking non-GAAP metrics, we are unable to provide quantitative reconciliations to the most closely correlated GAAP measure due to the uncertainty in the timing, amount or nature of any adjustments, which could be material in any period.

Foreign Currency Exchange Rate Changes and Hedging Activities

We supplement the reporting of revenue, revenue per piece and operating profit with adjusted measures that exclude the period-over-period impact of foreign currency exchange rate changes and hedging activities. We believe currency-neutral revenue, revenue per piece and operating profit information allows users of our financial statements to understand growth trends in our products and results. We evaluate the performance of International Package and Supply Chain Solutions on this currency-neutral basis.

Currency-neutral revenue, revenue per piece and operating profit are calculated by dividing current period reported U.S. Dollar revenue, revenue per piece and operating profit by the current period average exchange rates to derive current period local currency revenue, revenue per piece and operating profit. The derived amounts are then multiplied by the average foreign currency exchange rates used to translate the comparable results for each month in the prior year period (including the period-over-period impact of foreign currency hedging activities). The difference between the current period reported U.S. Dollar revenue, revenue per piece and operating profit and the derived current period U.S. Dollar revenue, revenue per piece and operating profit is the period-over-period impact of currency fluctuations

Incentive Compensation Program Design Changes

During 2022, we completed certain structural changes to the design of our incentive compensation programs that resulted in a one-time, non-cash charge in connection with the accelerated vesting of certain equity incentive awards that we do not expect to repeat. We supplement the presentation of our operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of these changes. We believe excluding the impacts of such changes allows users of our financial statements to more appropriately identify underlying growth trends in compensation and benefits expense

Long-lived Asset Estimated Residual Value Changes

During the fourth quarter of 2022, we incurred a one-time, non-cash charge resulting from a reduction in the estimated residual value of our MD-11 fleet. We supplement the presentation of our operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of this charge. We believe excluding the impact of this charge better enables users of our financial statements to understand the ongoing cost associated with our long-lived assets.

Transformation Charges, and Goodwill, Asset Impairment and Divestiture Charges

We supplement the presentation of our operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of charges related to transformation activities, and goodwill, asset impairment and divestiture charges. We believe excluding the impact of these charges better enables users of our financial statements to view and evaluate underlying business performance from the perspective of management. We do not consider these costs when evaluating the operating performance of our business units, making decisions to allocate resources or in determining incentive compensation awards.

One-Time Compensation Payment

We supplement the presentation of our operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of a one-time payment made to certain U.S.-based, non-union part-time supervisors following the ratification of our labor agreement with the Teamsters. We do not expect this or similar payments to recur. We believe excluding the impact of this one-time payment better enables users of our financial statements to view and evaluate underlying business performance from the same perspective as management.

Defined Benefit Pension and Postretirement Medical Plan Gains and Losses

We recognize changes in the fair value of plan assets and net actuarial gains and losses in excess of a 10% corridor (defined as 10% of the greater of the fair value of plan assets or the plan's projected benefit obligation), as well as gains and losses resulting from plan curtailments and settlements, for our pension and postretirement defined benefit plans immediately as part of Investment income and other in the statements of consolidated income. We supplement the presentation of our income before income taxes, net income and earnings per share with adjusted measures that exclude the impact of these gains and losses and the related income tax effects. We believe excluding these defined benefit plan gains and losses provides important supplemental information by removing the volatility associated with plan amendments and short-term changes in market interest rates, equity values and similar factors

Free Cash Flow

We calculate free cash flow as cash flows from operating activities less capital expenditures, proceeds from disposals of property, plant and equipment, and plus or minus the net changes in other investing activities. We believe free cash flow is an important indicator of how much cash is generated by our ongoing business operations and we use this as a measure of incremental cash available to invest in our business, meet our debt obligations and return cash to shareowners.

Adjusted Return on Invested Capital

Adjusted ROIC is calculated as the trailing twelve months (“TTM”) of adjusted operating income divided by the average of total debt, non-current pension and postretirement benefit obligations and shareowners’ equity, at the current period end and the corresponding period end of the prior year. Because adjusted ROIC is not a measure defined by GAAP, we calculate it, in part, using non-GAAP financial measures that we believe are most indicative of our ongoing business performance. We consider adjusted ROIC to be a useful measure for evaluating the effectiveness and efficiency of our long-term capital investments.

Adjusted Total Debt / Adjusted EBITDA

Adjusted total debt is defined as our long-term debt and finance leases, including current maturities, plus non-current pension and postretirement benefit obligations. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization adjusted for the impacts of incentive compensation program redesign, transformation and other costs, defined benefit plan gains and losses and other income. We believe the ratio of adjusted total debt to adjusted EBITDA is an important indicator of our financial strength, and is a ratio used by third parties when evaluating the level of our indebtedness.

Reconciliations

United Parcel Service, Inc.
Reconciliation of GAAP and As Adjusted Income Statement Data
(unaudited)

Three Months Ended September 30,

(in millions, except per share data):	2023					2022				
	As Reported (GAAP)	One-Time Compensation[1]	Goodwill Impairment Charges[2]	Transformation & Other Adj.[3]	As Adjusted (Non-GAAP)	As Reported (GAAP)	Transformation & Other Adj.[4]	As Adjusted (Non-GAAP)	% Change As Rep. (GAAP)	% Change As Adj. (Non-GAAP)
U.S. Domestic Package	$ 13,089	$ 61	$ —	$ 33	$ 12,995	$ 13,708	$ 20	$ 13,688	(4.5)%	(5.1)%
International Package	3,637	—	—	45	3,592	3,802	7	3,795	(4.3)%	(5.3)%
Supply Chain Solutions	2,992	—	117	16	2,859	3,538	9	3,529	(15.4)%	(19.0)%
Operating Expense	19,718	61	117	94	19,446	21,048	36	21,012	(6.3)%	(7.5)%
U.S. Domestic Package	$ 571	$ 61	$ —	$ 33	$ 665	$ 1,666	$ 20	$ 1,686	(65.7)%	(60.6)%
International Package	630	—	—	45	675	997	7	1,004	(36.8)%	(32.8)%
Supply Chain Solutions	142	—	117	16	275	450	9	459	(68.4)%	(40.1)%
Operating Profit	1,343	61	117	94	1,615	3,113	36	3,149	(56.9)%	(48.7)%
Other Income and (Expense):										
Other pension income (expense)	66	—	—	—	66	297	—	297	(77.8)%	(77.8)%
Investment income (expense) and other	58	—	—	—	58	36	—	36	61.1 %	61.1 %
Interest expense	(199)	—	—	—	(199)	(177)	—	(177)	12.4 %	12.4 %
Total Other Income (Expense)	$ (75)	$ —	$ —	$ —	$ (75)	$ 156	$ —	$ 156	N/A	N/A
Income Before Income Taxes	1,268	61	117	94	1,540	3,269	36	3,305	(61.2)%	(53.4)%
Income Tax Expense	141	15	14	24	194	685	9	694	(79.4)%	(72.0)%
Net Income	$ 1,127	$ 46	$ 103	$ 70	$ 1,346	$ 2,584	$ 27	$ 2,611	(56.4)%	(48.4)%
Basic Earnings Per Share	$ 1.31	$ 0.05	$ 0.12	$ 0.09	$ 1.57	$ 2.97	$ 0.03	$ 3.00	(55.9)%	(47.7)%
Diluted Earnings Per Share	$ 1.31	$ 0.05	$ 0.12	$ 0.09	$ 1.57	$ 2.96	$ 0.03	$ 2.99	(55.7)%	(47.5)%
Weighted-average shares outstanding:										
Basic	857					870				
Diluted	858					872				

(1) Represents a one-time payment of $61 million to certain U.S.-based non-union part-time supervisors.

(2) Reflects goodwill impairment charges of $117 million within Supply Chain Solutions.

(3) Reflects other employee benefits costs of $80 million and other costs of $14 million.

(4) Reflects other employee benefits costs of $15 million and other costs of $21 million.

Prior year amounts may have been reclassified to conform to the current year presentation. Certain amounts are calculated based on unrounded numbers..

Reconciliations

United Parcel Service, Inc.
Supplemental Analysis of Currency - Third Quarter
(unaudited)

Reconciliation of Currency Neutral Revenue Per Piece, Revenue and As Adjusted Operating Profit

(in millions, except per piece data)

	Three Months Ended September 30 (GAAP) 2023	2022	% Change	Currency	Currency Neutral (Non-GAAP) 2023(1)	% Change
Average Revenue Per Piece:						
International Package:						
Domestic	$ 7.73	$ 7.31	5.7 %	$ (0.21)	$ 7.52	2.9 %
Export	33.09	34.77	(4.8)%	(0.21)	32.88	(5.4)%
Total International Package	$ 20.78	$ 21.07	(1.4)%	$ (0.21)	$ 20.57	(2.4)%
Consolidated	$ 13.81	$ 13.58	1.7 %	$ (0.03)	$ 13.78	1.5 %

	Three Months Ended September 30 (GAAP) 2023	2022	% Change	Currency	Currency Neutral (Non-GAAP) 2023(1)	% Change
Revenue (in millions):						
U.S. Domestic Package	$ 13,660	$ 15,374	(11.1)%	$ —	$ 13,660	(11.1)%
International Package	4,267	4,799	(11.1)%	(43)	4,224	(12.0)%
Supply Chain Solutions	3,134	3,988	(21.4)%	(24)	3,110	(22.0)%
Total revenue	$ 21,061	$ 24,161	(12.8)%	$ (67)	$ 20,994	(13.1)%

	Three Months Ended September 30 (Non-GAAP) 2023	2022	% Change	Currency	Currency Neutral (Non-GAAP) 2023(1)	% Change
As Adjusted Operating Profit (in millions)(2):						
U.S. Domestic Package	$ 665	$ 1,686	(60.6)%	$ —	$ 665	(60.6)%
International Package	675	1,004	(32.8)%	32	707	(29.6)%
Supply Chain Solutions	275	459	(40.1)%	6	281	(38.8)%
Total operating profit	$ 1,615	$ 3,149	(48.7)%	$ 38	$ 1,653	(47.5)%

(1) Amounts adjusted for period over period foreign currency exchange rate and hedging differences

(2) See Non-GAAP schedules for reconciliation of adjustments

Prior year amounts may have been reclassified to conform to the current year presentation. Certain amounts are calculated based on unrounded numbers.

Reconciliations

United Parcel Service, Inc.
Reconciliation of Adjusted Debt to Adjusted EBITDA (Non-GAAP measure)
(unaudited)

(amounts in millions):	TTM[1] Ended September 30, 2023	TTM[1] Ended September 30, 2022
Net income	$ 8,556	$ 11,188
Add back:		
Income tax expense	2,421	3,132
Interest expense	760	695
Depreciation & amortization	3,387	3,054
EBITDA	15,124	18,069
Add back (deduct):		
Incentive compensation program redesign	505	—
One-time compensation	61	—
Goodwill impairment charges	125	—
Transformation and other	282	193
Defined benefit plan (gains) and losses	(1,028)	(15)
Investment income and other pension income	(850)	(1,210)
Adjusted EBITDA	$ 14,219	$ 17,037
Debt and finance leases, including current maturities	$ 21,125	$ 20,350
Add back:		
Non-current pension and postretirement benefit obligations	4,670	6,747
Adjusted total debt	$ 25,795	$ 27,097
Adjusted total debt/Net income	3.01	2.42
Adjusted total debt/adjusted EBITDA (Non-GAAP)	1.81	1.59

(1) Trailing twelve months

Prior year amounts may have been reclassified to conform to the current year presentation. Certain amounts are calculated based on unrounded numbers.

Reconciliations

United Parcel Service, Inc.
Reconciliation of Adjusted Return on Invested Capital (Non-GAAP measure)
(unaudited)

(amounts in millions):	TTM[1] Ended September 30, 2023	TTM[1] Ended September 30, 2022
Net income	$ 8,556	$ 11,188
Add back (deduct):		
Income tax expense	2,421	3,132
Interest expense	760	695
Other pension (income) expense	(1,523)	(1,193)
Investment (income) expense and other	(355)	(32)
Operating profit	$ 9,859	$ 13,790
Incentive compensation program redesign	505	—
Long-lived asset estimated residual value changes	76	—
One-time compensation	61	—
Goodwill impairment charges	125	—
Transformation and other	282	193
Adjusted operating profit	$ 10,908	$ 13,983
Average debt and finance leases, including current maturities	$ 20,738	$ 21,228
Average pension and postretirement benefit obligations	5,709	7,210
Average shareowners' equity	18,084	14,523
Average invested capital	$ 44,531	$ 42,961
Net income to average invested capital	19.2 %	26.0 %
Adjusted Return on Invested Capital (Non-GAAP)	24.5 %	32.5 %

(1) Trailing twelve months

Prior year amounts may have been reclassified to conform to the current year presentation. Certain amounts are calculated based on unrounded numbers.

Reconciliations

United Parcel Service, Inc.
Reconciliation of Free Cash Flow (Non-GAAP measure)
(unaudited)

(amounts in millions):	Nine Months Ended September 30,	
	2023	**2022**
Cash flows from operating activities	$ 7,827	$ 10,772
Capital expenditures	(3,109)	(2,278)
Proceeds from disposals of property, plant and equipment	167	12
Other investing activities	2	(34)
Free Cash Flow (Non-GAAP measure)	$ 4,887	$ 8,472

Prior year amounts may have been reclassified to conform to the current year presentation. Certain amounts are calculated based on unrounded numbers.