



**Sell-side Analyst
Breakfast**

September 28, 2023



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

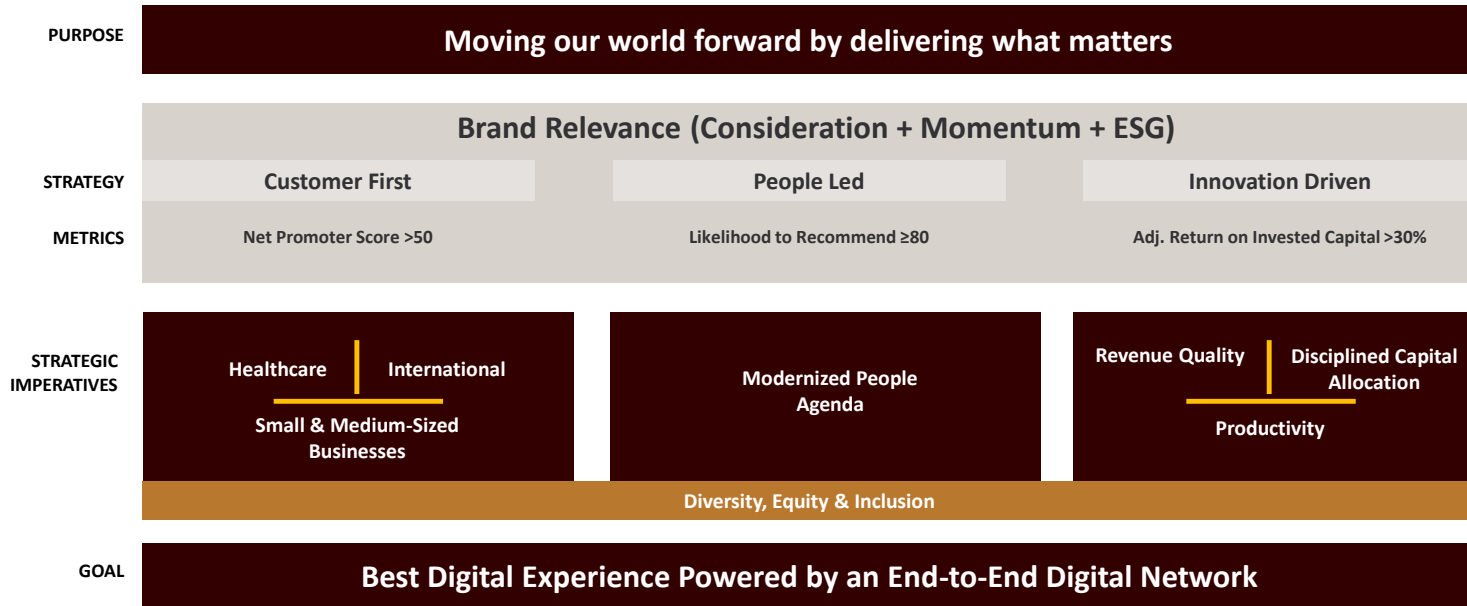
realize the anticipated benefits from acquisitions, dispositions, joint ventures or strategic alliances; changing prices of energy, including gasoline, diesel and jet fuel, or interruptions in supplies of these commodities; changes in exchange rates or interest rates; our ability to accurately forecast 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.

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.

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.

Staying on Strategy

Continuing to execute under our better and bolder framework

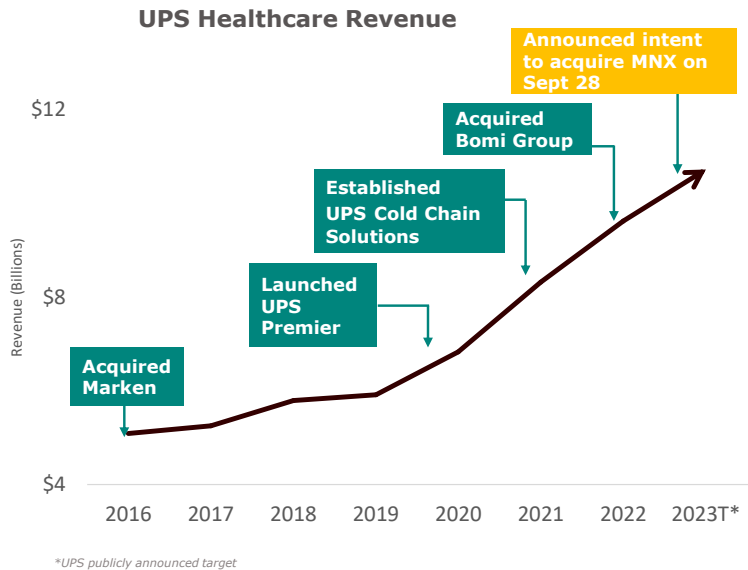


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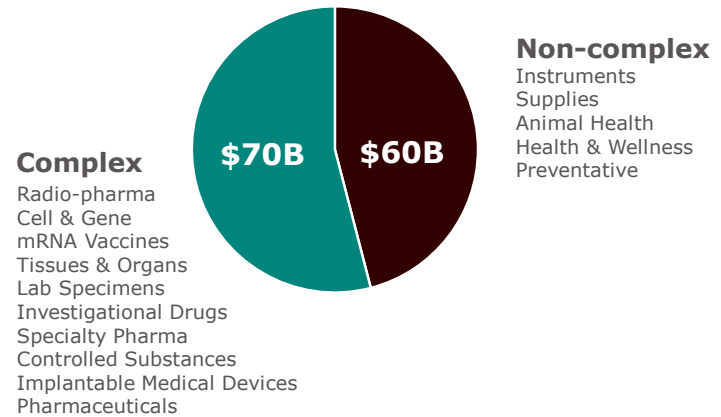
We are staying on strategy, Customer First, People Led, Innovation Driven. Through our better and bolder framework, we are investing in growth and efficiency initiatives. We are combining our physical network with digital capabilities to grow in the most attractive parts of the market, like healthcare, international and small and medium-sized businesses. For our people, we are enhancing the employee experience and making UPS a great place to work, which enables industry-leading service for our customers. And we are innovating to make our global integrated network even better with investments in automation and technology that enable greater agility and productivity.

UPS is Accelerating Growth in Healthcare Logistics

Combining organic solutions with acquisitions to become the #1 provider in the world



Global Healthcare Logistics Market 2023E, \$130B**



**Source: UPS Marketing Sizing 2018, 2022 update



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UPS has demonstrated our ability to grow in healthcare and our goal is to become the number one complex healthcare logistics provider in the world. We are continuing to expand our globally connected, tech-enabled, cold chain network to provide the best integrated logistics services. In 2023, we expect our healthcare portfolio to generate \$10 billion in revenue.

The global healthcare logistics market is expected to be \$130 billion in 2023. This provides UPS with significant opportunities to build on our competitive advantage with complex products, which represents more than half of the market.

Pushing Further into Healthcare with the Acquisition of MNX

Global time-critical logistics provider focused on the most complex healthcare customers

About MNX

>800 Employees

190 Countries

2,500+ Agent Partners

45,000+ Couriers

700+ Forward Stocking Locations

Key Healthcare Verticals Served



Nuclear Medicine & Radio-pharma



Organs & Tissue



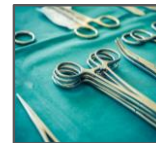
Cellular Therapy



Hospitals & Labs



Medical Devices & Equipment



Surgical Kits

MNX Expands UPS Healthcare Portfolio

- **Radio-pharma** capabilities
- Combines MNX's **scale for time-critical shipments** with UPS's global integrated network
- **Proprietary technology** that enhances UPS Premier



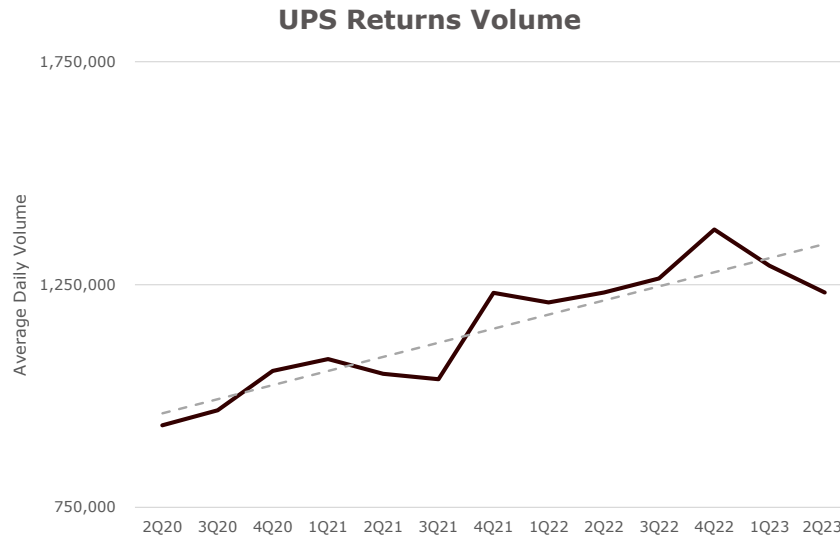
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Today we announced UPS has entered into an agreement to acquire MNX, an industry leader with a 50-year legacy in time-critical logistics that has sophisticated capabilities tailor-made for serving complex needs of customers, particularly in healthcare. MNX will be combined with UPS Express Critical, and by utilizing their expertise in time-critical, temperature-controlled and security-sensitive transport together with UPS's global integrated network, we will become even more efficient and be able to reach new markets and customers, including in the radio-pharma sector.

Leaning Into E-commerce Returns, an Attractive Part of the Market

Building out digital solutions to further enhance our leading end-to-end returns portfolio



*Estimate

A good returns experience fosters loyalty and drives incremental sales for retailers



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Returns are Good for UPS

- Solutions enable multiple transactions in a single box
- Increase pickup and delivery density
- Improve the consumer experience with hassle-free, no-box, no-label solution for select customers
- Convenience enabled by >5,100 The UPS Store locations, including 1,000 self-service returns kiosks

UPS's returns volume has been an area of consistent growth over the last several years. Under our better and bolder strategic framework, we see opportunities to enhance our digital returns solutions and further expand our leadership position in the reverse logistics market. When combined with more than 5,100 locations of The UPS Store, UPS offers a compelling value proposition to retail and other industries. And we are leaning in on innovative returns solutions that drive pickup and delivery density and generate profitable volume.

UPS Digital, Inc. is Accelerating Our Digital Transformation

Recent product innovations enabled by technology help expand our addressable market



Technology platform that enables local same-day delivery with operations throughout the U.S.

WARE2GO

Digital platform matches warehouse space with merchants to get online orders delivered fast



Last mile orchestration and data driven delivery density solutions



Insurance products that are complimentary to shipping and logistics services



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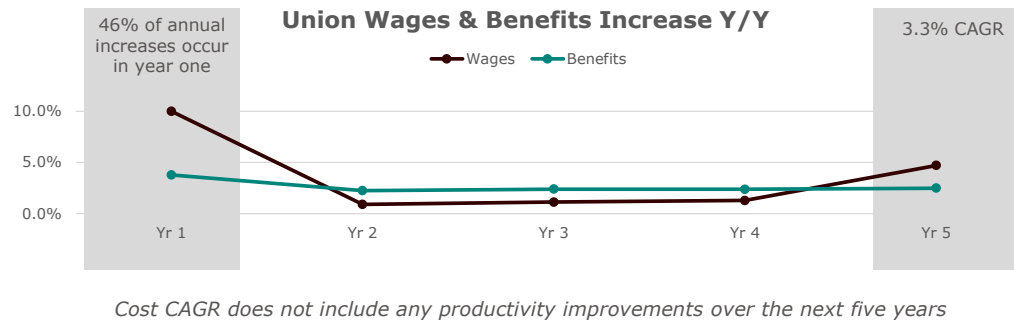
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In January 2023, UPS brought together Roadie, Ware2Go, Delivery Solutions and UPS Capital to form UPS Digital, Inc., which is an example of our bolder approach to digital commerce. We are accelerating new solutions to meet the needs of our customers and expanding our addressable market to drive profitable growth. Two examples of recent innovations are Roadie Direct, which enables retailers to offer customers local home delivery of e-commerce orders direct from their warehouses within hours, and UPS Capital's Delivery Defense, which uses predictive analytics to enable merchants to assess the level of delivery risk associated with addresses.

Achieved Win-Win-Win Agreement with Teamsters

Offsetting costs through revenue quality and productivity over the life of the contract

- 3.3% CAGR over the life of the agreement and retained ability to deploy technology
- Enhanced peak flexibility by using inside workers as seasonal support drivers
- Ability to schedule regular package car drivers Tue-Sat in addition to Mon-Fri
- Protects weekend SurePost offering
- Enables UPS to attract and retain the best workforce in the industry



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UPS's recent Teamster contract is a win-win-win agreement. This contract lays a platform for the future and continues to reward our employees with the best pay and benefits in our industry, which helps us attract and retain talent and provide industry-leading service to our customers.

In total, wage and benefit rates combined with all other contract provisions increase union cost at a 3.3% compounded annual growth rate (CAGR) over the five-year life of the contract. Importantly, this contract provides us significant certainty around labor, and we retain the ability to implement technology to further drive productivity inside our buildings, which will help offset cost increases.

Investing Through the Cycle by Leveraging Our Strong Balance Sheet

Increased CapEx and OpEx investments by \$900M to accelerate growth and efficiency

Smart Package Smart Facility

1,000+ facilities complete by October

- RFID technology improves misload frequency by 2.5X
- Lays the foundation for additional enhancements

Healthcare

Increasing healthcare revenue to \$10B in 2023

- Opening seven dedicated healthcare facilities
- Expanding UPS Premier to a total of 49 countries

DAP

Ramping up international Digital Access Program

- Expanded DAP availability to 43 countries
- Enhanced the customer experience by simplifying rates and brokerage billing

Facility Upgrades

Automation, Wellness and Sustainability

- Automated bagging and labeling
- Improving employee experience through cooling, lighting and breakroom upgrades



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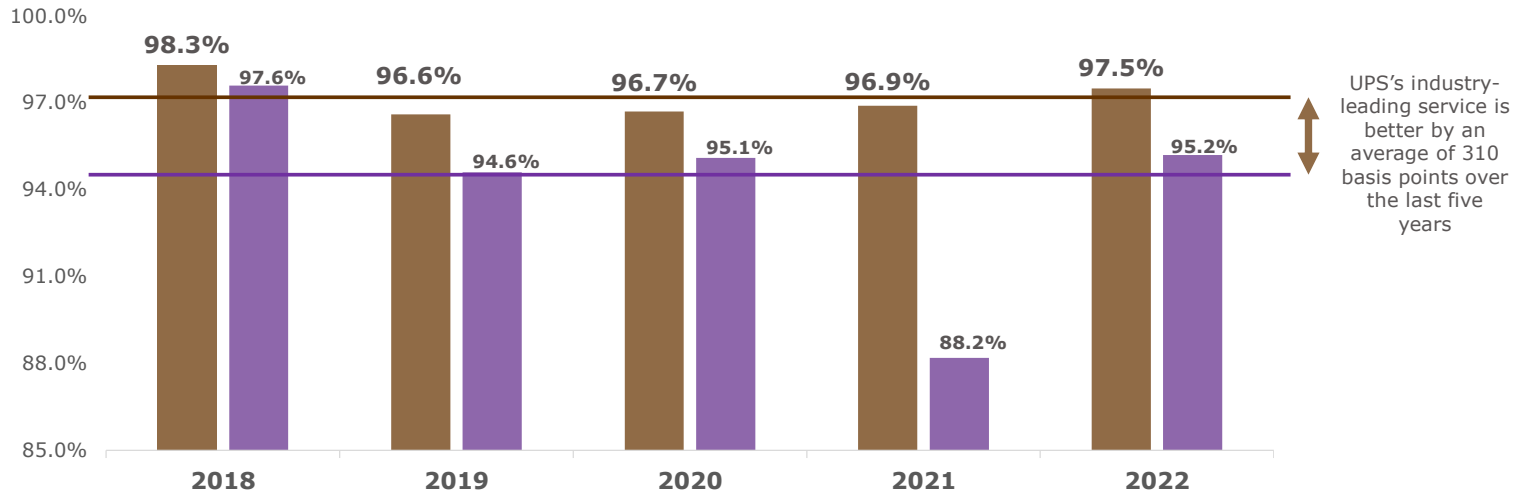
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Staying on strategy includes continuing to invest through this economic cycle. In fact, we've increased CapEx and OpEx investments by \$900 million compared to 2022 to accelerate better and bolder growth and efficiency initiatives. In terms of growth, we are investing to improve the customer value proposition and drive revenue quality by growing in the most attractive parts of the market. For example, we are expanding our Digital Access Platform, or DAP, and continuing to onboard new U.S. and international e-commerce platforms to the program. We expect DAP revenue to reach \$3 billion in 2023.

Looking at efficiency, we operate the most efficient integrated network and remain relentless about creating a virtuous cycle of productivity improvement. For example, phase one of smart package smart facility, our RFID solution, has reduced misloads by 250%. This improvement helps drive our industry-leading service and improve the customer experience while significantly reducing re-sorted volume and improving the employee experience. And there is more opportunity ahead with phase two as we deploy this technology to make our package cars smart. We are enabling our package cars to scan packages as they are loaded and show their shelf location to the driver at delivery.

Ready to Deliver Industry-Leading Service for Sixth Peak in a Row

Enables disciplined revenue quality with winback and growth in attractive segments of market



Source: Shipmatrix
 Note: On-time performance figures are for a mix of select Express Deferred & Ground Shipments during the time periods noted.

2018 data is from Nov 18 to Dec 29, 2018
 2019 data is from Nov 29 to Dec 31, 2019
 2020 data is from Nov 22 to Dec 26, 2020
 2021 data is from Nov 28 to Dec 24, 2021
 2022 data is from Nov 25 to Dec 24, 2022

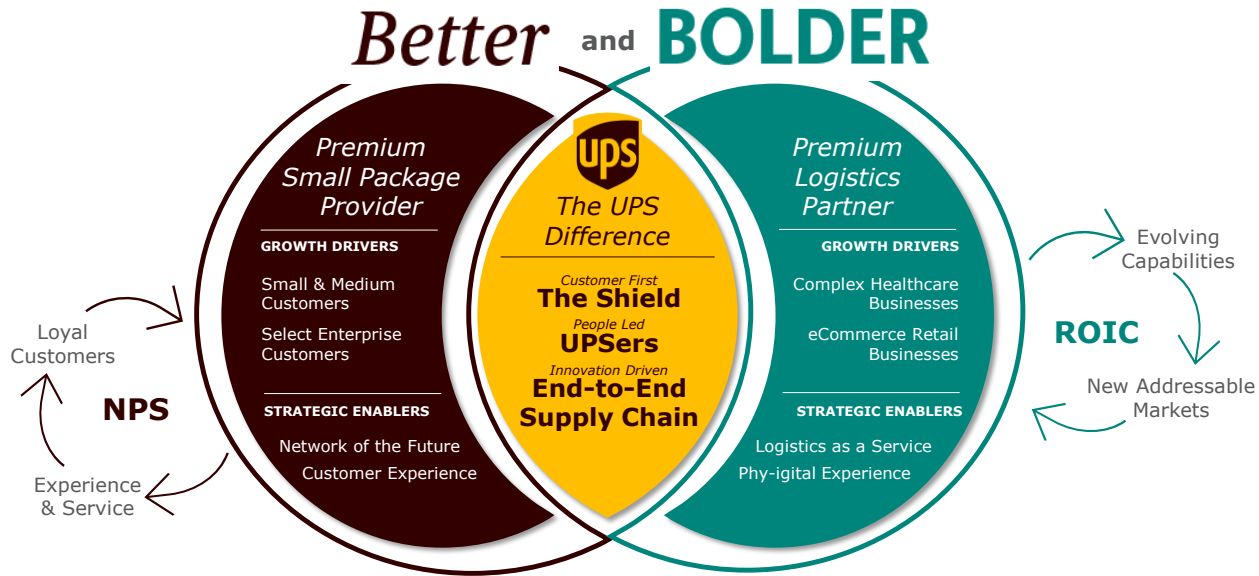


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We are ramping up for peak season and recently announced that we will hire more than 100,000 seasonal employees to help us deliver a successful peak for our customers. Service wins in the market and UPS is positioned again to deliver the reliable service that customers depend on year-round, and especially during the holiday shopping season. We have a five-year track record as the industry leader during peak. In fact, UPS's industry-leading service is better than our closest competitor by an average of 310 basis points over the last five years.

Looking Ahead...

Hosting Investor Day in Atlanta, GA on March 26, 2024



Through our better and bolder framework, we are writing the next chapter of the UPS story



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Through our better and bolder framework, we are writing the next chapter of the UPS story. UPS is stronger than ever, and we believe our best days are ahead of us. Please save March 26, 2024, to join us for the UPS Investor and Analyst Day as we share details on our strategy and provide multi-year financial targets.



Questions & Answers

