Sell-side Analyst Breakfast

September 6, 2022

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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.

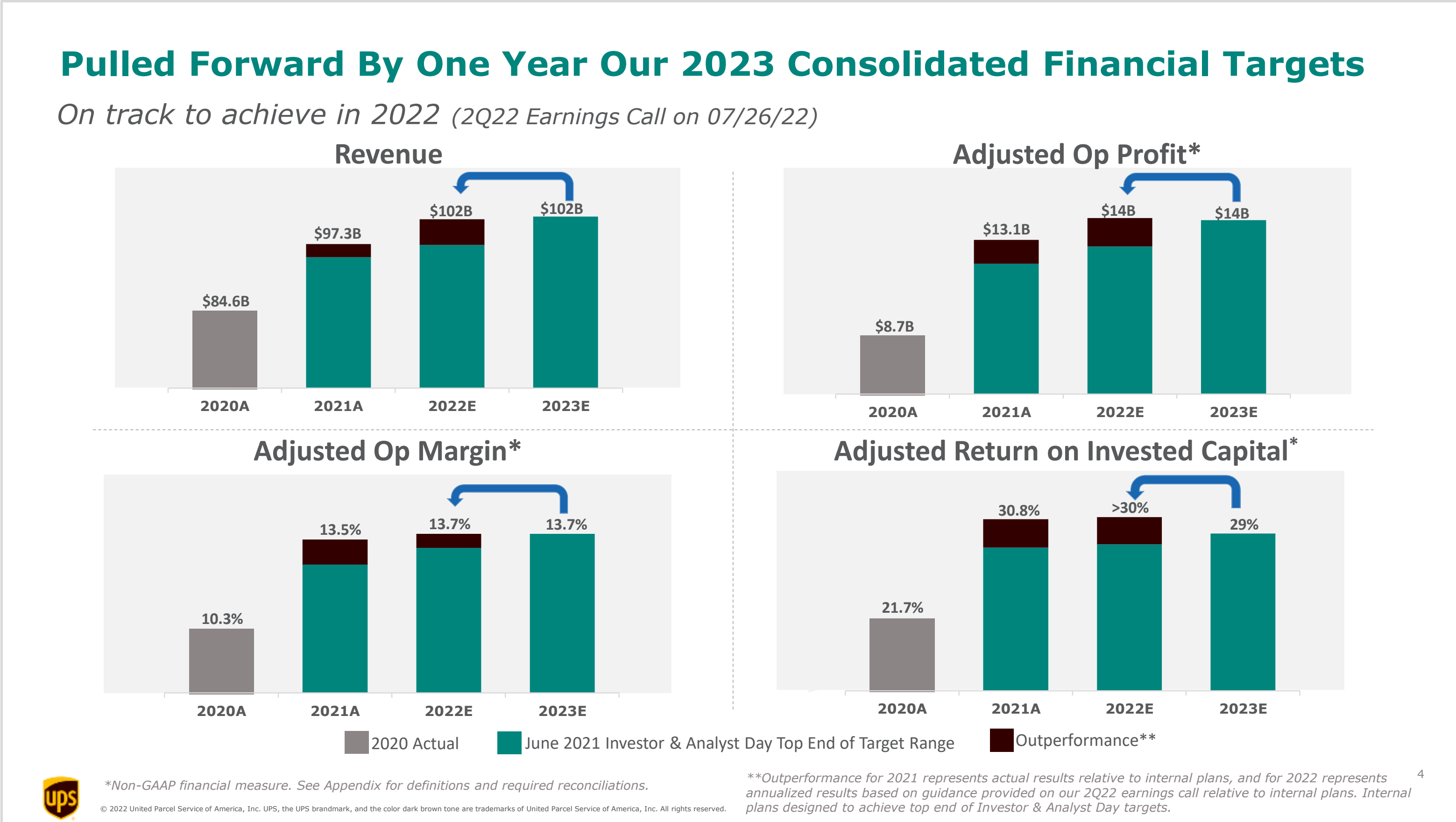
From time to time, we also include written or oral forward-looking statements in other publicly disclosed materials. Forward-looking statements may relate to our intent, belief, forecasts of, or current expectations about our strategic direction, prospects, future results, or future events; they do not 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 on our business and operations, financial performance and liquidity, our customers and suppliers, and on the global economy; changes in general economic conditions, in the U.S. or internationally; industry evolution and significant competition; changes in our relationships with our significant customers; our ability to attract and retain qualified employees; increased or more complex physical or data security requirements, or any data security breach; 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; disruptions to our information technology infrastructure; 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, 2021, our Quarterly Report on Form 10-Q for the quarter ended March 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.

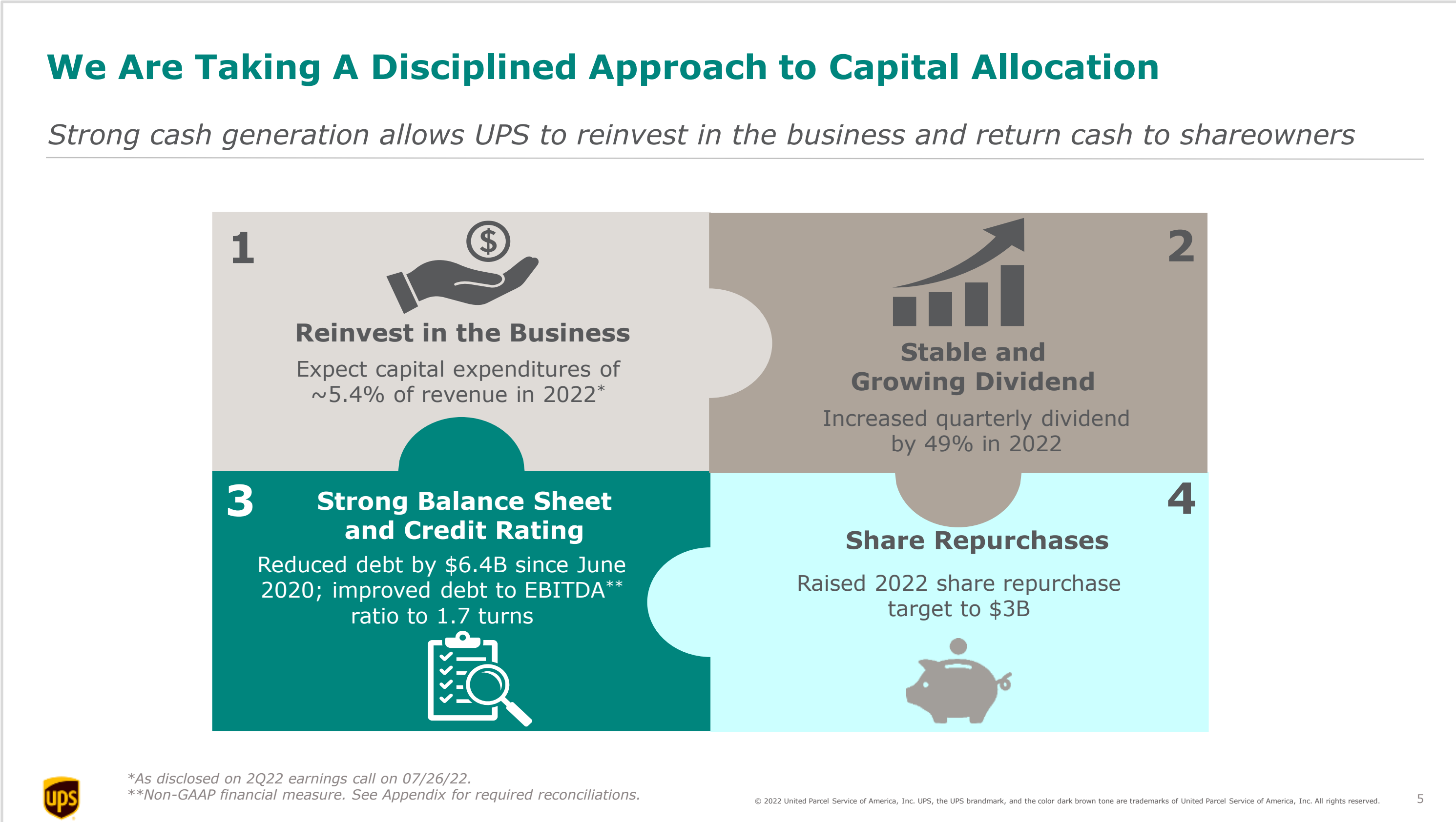
Our better not bigger framework has helped UPS move from volume share to value share, define our core strengths and focus on developing the capabilities that matter the most to customers, enabling us to grow in the most attractive parts of the market. These changes have resulted in better revenue quality, higher operating margins and significant improvement in our financial strength. Building from this foundation, we are transitioning to the next phase of our strategic framework that we call better and bolder.

Our Customer First, People Led, Innovation Driven strategy has not changed, but we are moving faster to enhance customer engagement by combining our physical network with digital capabilities, while at the same time increasing efficiencies and remaining disciplined with capital allocation.



At our 2021 Investor & Analyst Day, we laid out our 2023 financial targets and based on our results through June 30, 2022, we pulled forward our consolidated 2023 targets by one year. U.S Domestic, International and Supply Chain Solutions have all contributed to outperforming our Investor & Analyst Day plans in 2021 and 2022, driven by execution of our revenue-quality initiatives, capitalizing on opportunities in the market and by adjusting our network to match volume levels.

The execution of our strategy is enabling greater agility and resiliency within a dynamic macro environment. While our path to achieve our targets is different than we originally expected, we have many levers to pull, and we remain focused on controlling what we can control to deliver our targets.



The execution of our strategy is enabling UPS to generate stronger bottom-line results and increased cash flows. Looking at our capital priorities:

• First, we reinvest in the business. We have adopted a disciplined and programmatic approach to capital expenditures that optimizes the long-term financial performance of our company and focuses on the capabilities that will enable us to win in the most attractive parts of the market.

• Second is our commitment to a stable and growing dividend. Our dividend policy to pay out approximately 50% of prior year adjusted EPS resulted in a record 49% increase in the quarterly dividend in 2022.

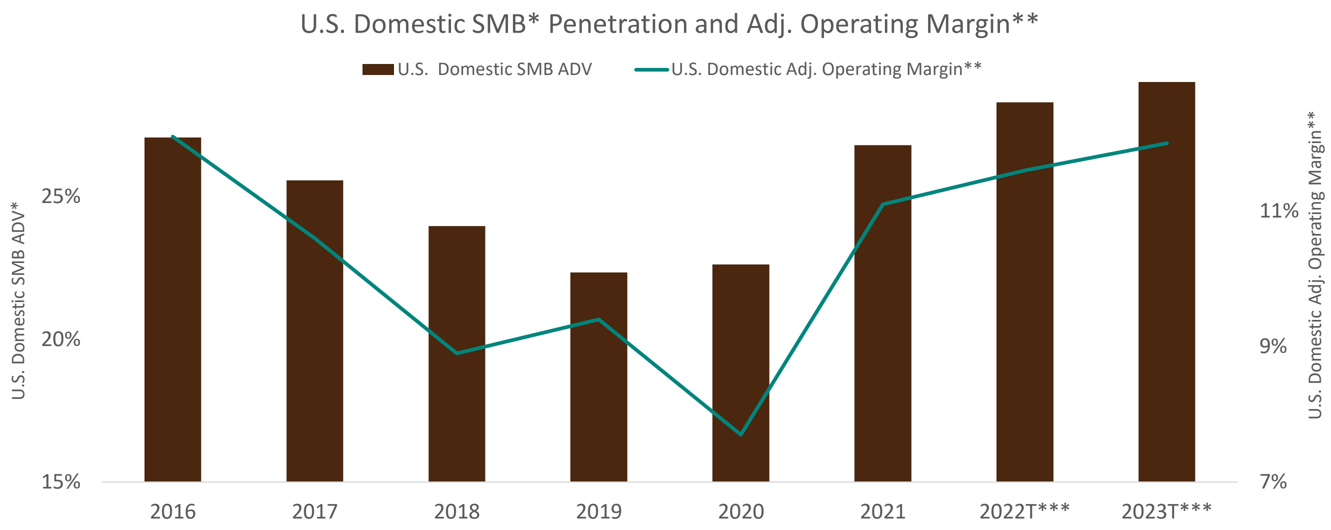
• Third is maintaining a strong balance sheet and a high investment grade credit rating. We have improved our total debt-to-EBITDA ratio from 3.5 times at the end of 2020 to 1.7 times at the end of 2Q22, and we are approaching our target of 1.5 times.

• And fourth is to use excess cash to repurchase UPS shares, as long as it is value creating. We announced a share repurchase program in August 2021 and our opportunistic approach has enabled us to triple our 2022 target to $3B.

SMB Strategic Imperative

UPS Is Winning SMBs*

Customer mix is an important driver of improving revenue quality and operating margin expansion



*ADV from Small and Medium-Sized Businesses (SMB) including platforms as a percentage of total U.S Domestic ADV
**Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.
***Target as of 07/26/22

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We remain focused on capturing value share by growing in the most attractive parts of the market, including small and medium-sized businesses (SMBs). Our success is rooted in the advantages of our integrated network and by providing the capabilities that matter the most to our customers. Over the past two years we have significantly increased the speed of our ground network, expanded weekend operations and made it easier for SMBs to do business with UPS.

Under the better and bolder framework, we will continue to enhance customer engagement by improving 16 customer journeys and expanding capabilities like our Digital Access Program and Deal Manager. As previously disclosed, we expect these solutions, coupled with our industry-leading service, will enable us to reach our target of 30% of U.S. Domestic volume coming from SMBs including platforms by 2023, and we expect to continue to grow from there.

International Strategic Imperative

Execution of Our Strategy is Driving Revenue and Profit Growth

Synergies with Supply Chain Solutions and healthcare enable better customer engagement

Time in Transit

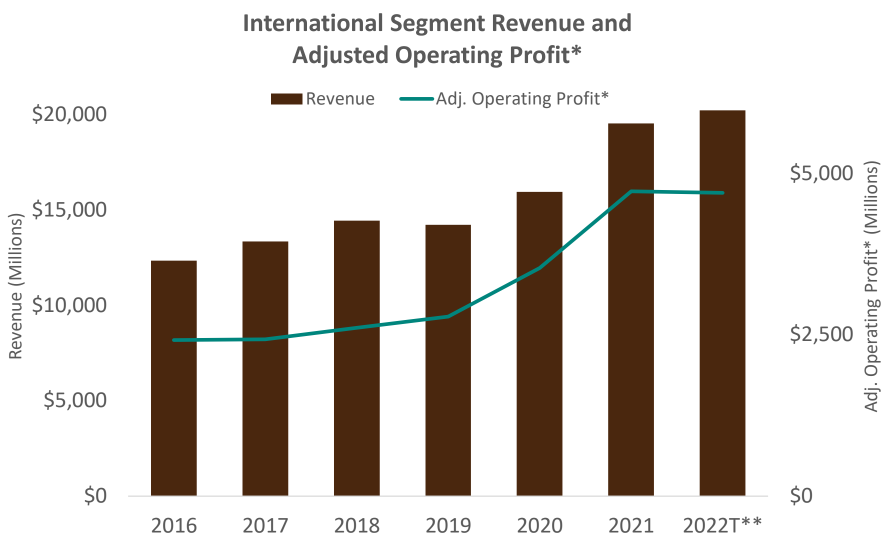
- Fastest ground network in Europe
- Excellent service levels

Asset-Light Expansion

- MOVIN joint-venture in India
- Partner Hub, digital enablement for UPS Outside Service Providers

Customer Engagement

- Capabilities support International, SCS and healthcare customers
- Making it easier to sell across borders
- Grow SMB with Digital Access Program (DAP)



*Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.
**Target as of 07/26/22

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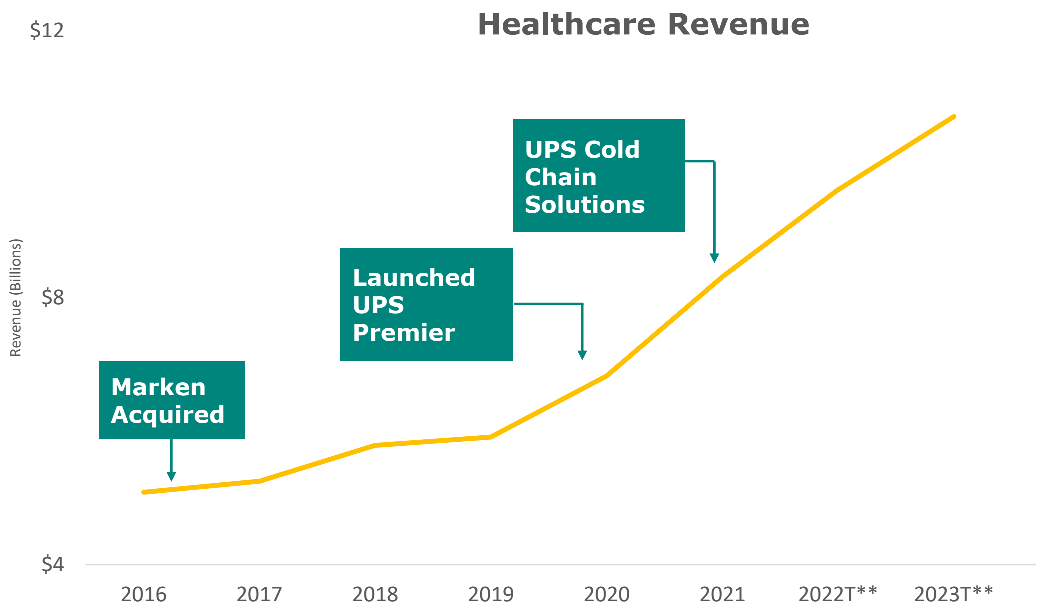
Looking at the International segment, we are winning on speed and service. In 2021, International revenue increased 22.6% and adjusted operating profit exceeded $4.7B. We continue to deliver excellent service to our customers and through the combination of our people and our network, we have been able to continue operating throughout Asia despite COVID-19 lockdowns.

We have tremendous opportunity for international growth because UPS is underpenetrated in most markets. We are leveraging our time-in-transit advantages, accelerating our asset-light initiatives and enhancing customer engagement to drive growth in International. Additionally, we streamlined our reporting structure to optimize organizational effectiveness, with Kate Gutmann leading International and Supply Chain Solutions, including our healthcare operations, further enabling us to better serve our customers and create both revenue and cost synergies.

Healthcare Strategic Imperative

Tremendous Opportunity in Complex Healthcare Logistics

*Targeting healthcare revenue of $10B in 2023**



- We offer a complete portfolio of global services from clinical trials to cold chain to last mile delivery
- Expanding UPS Premier to cover 99% of Worldwide Express average daily volume in Europe
- Entered into agreement to acquire BOMI Group which expands our footprint of healthcare capabilities in Europe and LATAM

*As of 2021 UPS Investor & Analyst Day
**Target as of 07/26/22

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Growth in biologics and the need for cold-chain logistics is creating tremendous opportunities for growth in the complex segments of the healthcare market. UPS is meeting this demand by offering compliant, end-to-end solutions for our customers. In fact, leveraging the speed of our global network and UPS Premier technology, we delivered approximately 1.5 billion COVID-19 vaccine doses globally with 99.9% on-time performance (2021-July 2022). We are expanding UPS Premier to cover 99% of UPS Worldwide Express volume in Europe and connecting Bomi Group's warehouses to our global transportation network (upon completion of the pending acquisition).

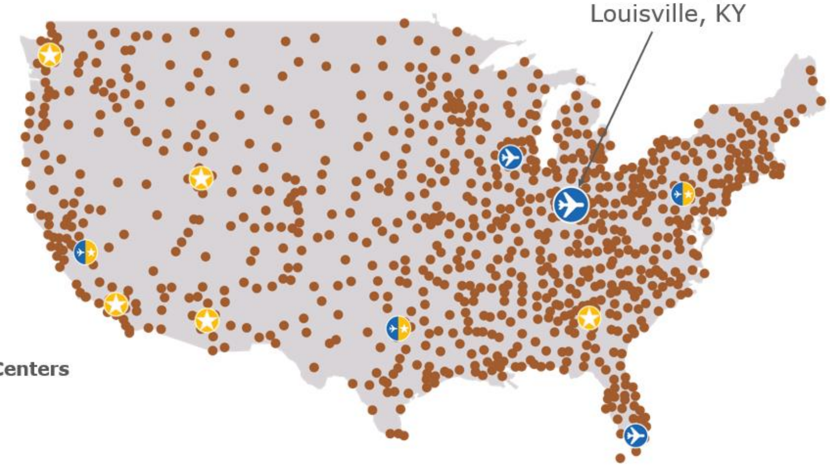
The acquisition of Bomi Group will significantly strengthen our footprint in Europe and Latin America. Including Bomi Group, UPS will have doubled its healthcare distribution space globally since 2020 to 15+ million square feet.

Integrated Network Enables Industry-leading Service and Efficiency

UPS Regional Hubs
- Atlanta, GA
- Goodyear, AZ
- Plainfield, IN
- Empire, CA
- Arlington, TX
- Salt lake City, UT
- Tacoma, WA
- Harrisburg, PA

UPS Regional Air Hubs
- Louisville, KY.
- Philadelphia, PA.
- Dallas, TX
- Ontario, CA
- Rockford, IL
- Miami, FL

UPS Hubs and Package Centers



Smarter
- Smart Package Smart Facility

Automated
- Newest hub in Harrisburg, PA
- Additional bagging and labeling automation

Efficient
- Integrated air and ground network
- Total Service Plan
- Delivery density

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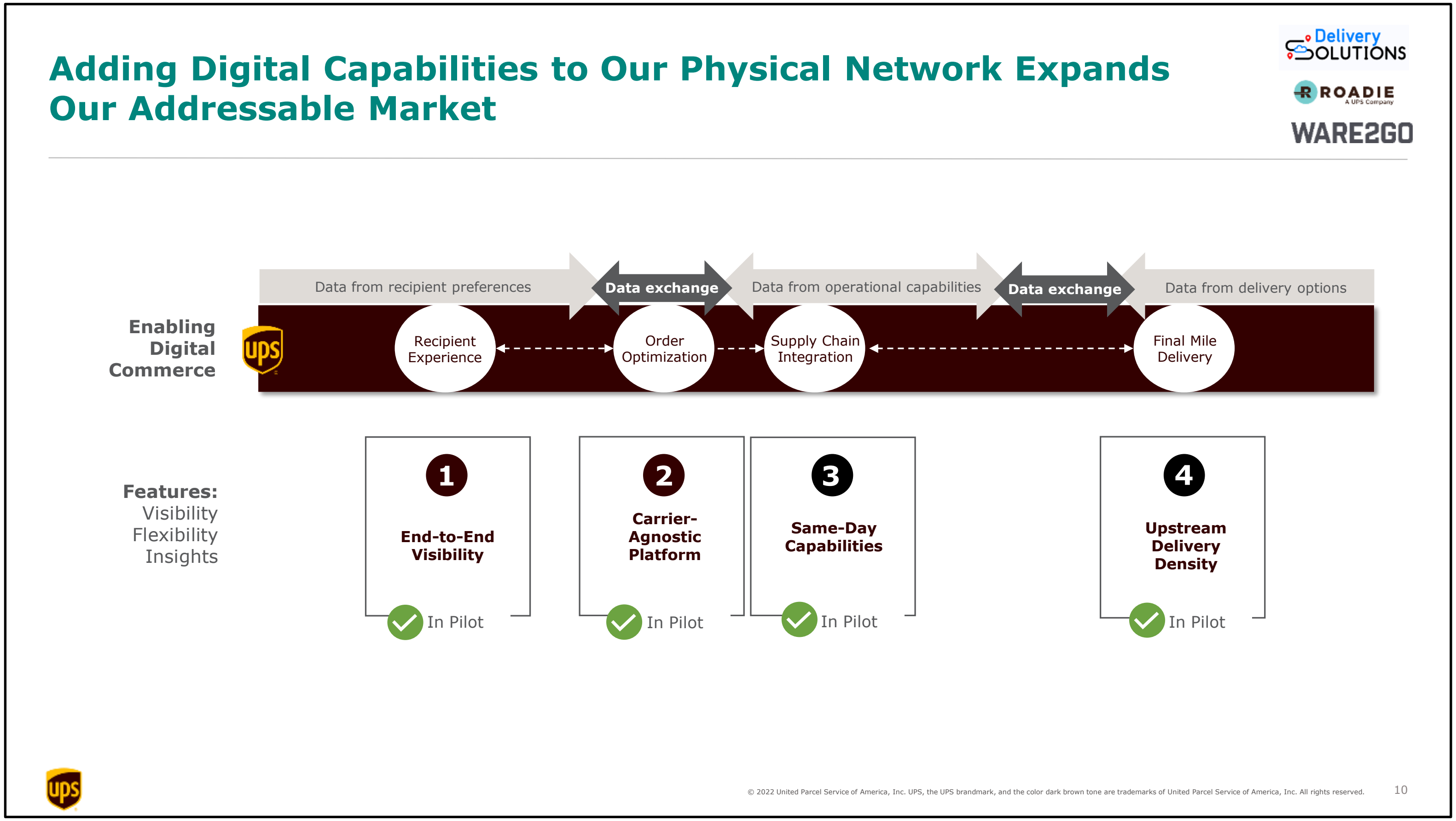
UPS's integrated network provides unique operational and capital efficiencies resulting in a better customer experience. All services (air, ground, domestic, international, commercial and residential) are managed through a single, global smart logistics network. In the U.S., we operate more than 1,000 package facilities and our aircraft operate more than 1,200 daily flight segments.

We are running our network holistically and leveraging data and technology to make it smarter, more automated and more efficient. Initiatives like our new Harrisburg, PA regional hub, Total Service Plan and the phased rollout of Smart Package Smart Facility across all our facilities will enable UPS to continue delivering industry-leading service, drive revenue quality, reduce cost and expand U.S. Domestic operating margin.

Additionally, we have changed how we plan for and execute peak season, resulting in a more agile network and consistently high service levels. Our industry-leading service at peak brings new customers in the door all year long. In fact, we won more business in the second quarter of 2022 than we have in any quarter over the last five years.



By combining the strength of our physical network with new digital capabilities we are creating new solutions for our customers, increasing the efficiency of our operations and expanding our addressable market.

We are approaching digital commerce differently and moving faster than before. We developed Ware2Go to help SMBs optimize their inventory. We acquired Roadie to offer our customers a same-day delivery option for items that are not compatible with our small package network. We recently acquired Delivery Solutions, which allows customers to optimize their deliveries across dozens of physical networks through a single API connection. And we are moving upstream to create delivery density in our network and are building a new, scalable digital platform.

Each of these are strong, stand-alone solutions and they become even more powerful when combined with each other and with our global smart logistics network.

Reaffirmed Full-Year 2022 Financial Targets On Our 2Q22 Earnings Call**

Raised share repurchase target to $3B

± Expect macro environment to remain dynamic with global GDP growing 2.9% and U.S. GDP growing 1.4%

\+ Focusing on revenue quality and continued productivity improvement

= Paying close attention to:
- COVID-19
- Inflationary pressures
- Consumer economic health
- Geopolitical environment

Full-year 2022 Outlook**

- Consolidated:
  - Revenue about $102B
  - Adjusted operating margin* approximately 13.7%
  - Adjusted return on invested capital* >30%
- Capital Allocation:
  - Free cash flow* ~$9B
  - Capital expenditures of ~$5.5B
  - Planned dividend payout ~$5.2B, subject to board approval
  - Targeted share repurchases increased to $3B

2H 2022 Outlook**

- U.S. Domestic: revenue growth of ~5.5%; adjusted operating margin* ~11.6%
- International: revenue growth in low-single digits; adjusted operating margin* ~23%
- Supply Chain Solutions: revenue of ~$9B; adjusted operating margin* ~10%
- Consolidated adjusted operating margin* ~13.6%

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

***Target as of 07/26/22*

In January of this year, we pulled forward our consolidated financial targets by one year, from 2023 to 2022. The execution of our strategy is enabling greater agility and has driven fundamental changes to nearly every aspect of our business. We are controlling what we can control and have confidence in our ability to achieve our full-year guidance, despite a dynamic macro environment.

Questions & Answers

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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. These include: "adjusted" compensation and benefits; operating expenses; earnings before interest, taxes, depreciation and amortization ("EBITDA"); operating profit; operating margin; other income and (expense); income before income taxes; income tax expense; effective tax rate; net income; and earnings per share. We present revenue, revenue per piece and operating profit on a constant currency basis. Additionally, we disclose free cash flow, return on invested capital ("ROIC") and the ratio of adjusted total debt to adjusted EBITDA.

We believe that these non-GAAP measures provide meaningful information to assist users of our financial statements in more fully understanding our financial results and cash flows and assessing our ongoing performance, because they exclude items that may not be indicative of, or are unrelated to, our underlying operations and may provide a useful baseline for analyzing trends in our underlying businesses. These non-GAAP measures are used internally by management for business unit operating performance analysis, business unit resource allocation and in connection with incentive compensation award determinations.

Non-GAAP 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 information does not represent a comprehensive basis of accounting. Therefore, our adjusted financial information may not be comparable to similarly titled information reported by other companies.

Transformation and Other Charges

Adjusted EBITDA, operating profit, operating margin, income before income taxes, net income and earnings per share may exclude the impact of charges related to transformation activities, goodwill and asset impairments, and divestitures.

Changes in Foreign Currency Exchange Rates and Hedging Activities

Currency-neutral revenue, revenue per piece and operating profit exclude the period over period impact of foreign currency exchange rate changes and any foreign currency hedging activities. These measures 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 exchange rates used to translate the comparable results for each month in the prior year period (including the impact of any 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 foreign currency exchange rates and hedging activities.

Pension and Postretirement Adjustments

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 amendments, for our pension and postretirement defined benefit plans immediately as part of other pension income (expense). 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.

The deferred income tax effects of pension and postretirement adjustments are calculated by multiplying the statutory tax rates applicable in each tax jurisdiction, including the U.S. federal jurisdiction and various U.S. state and non-U.S. jurisdictions, by the adjustments.

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 finance receivables and 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.

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 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 restructuring and other costs and investment income and other. 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.

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.

Reconciliations

Operating Profit and Operating Margin

	Operating Profit Consolidated						YOY Change Consolidated					Operating Margin Consolidated					
	2021	2020	2019	2018	2017	2016	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017	2017 vs. 2016	2021	2020	2019	2018	2017	2016
Reported / GAAP	$ 12,810	$ 7,684	$ 7,798	$ 7,024	$ 7,529	$ 7,688	66.7%	-1.5%	11.0%	-6.7%	-2.1%	13.2%	9.1%	10.5%	9.8%	11.3%	12.5%
Transformation and Other	334	1,034	255	360	-	-						0.3%	1.2%	0.4%	0.5%	0.0%	0.0%
Legal Contingencies and Expenses	-	-	97	-	-	-						0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
Adjusted	$ 13,144	$ 8,718	$ 8,150	$ 7,384	$ 7,529	$ 7,688	50.8%	7.0%	10.4%	-1.9%	-2.1%	13.5%	10.3%	11.0%	10.3%	11.3%	12.5%

	U.S. Domestic Package						U.S. Domestic Package					U.S. Domestic Package					
	2021	2020	2019	2018	2017	2016	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017	2017 vs. 2016	2021	2020	2019	2018	2017	2016
Reported / GAAP	$ 6,436	$ 3,891	$ 4,164	$ 3,643	$ 4,303	$ 4,628	65.4%	-6.6%	14.3%	-15.3%	-7.0%	10.7%	7.3%	9.0%	8.4%	10.6%	12.1%
Transformation and Other	281	237	108	235	-	-						0.4%	0.4%	0.2%	0.5%	0.0%	0.0%
Legal Contingencies and Expenses	-	-	97	-	-	-						0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
Adjusted	$ 6,717	$ 4,128	$ 4,369	$ 3,878	$ 4,303	$ 4,628	62.7%	-5.5%	12.7%	-9.9%	-7.0%	11.1%	7.7%	9.4%	8.9%	10.6%	12.1%

	International Package						International Package					International Package					
	2021	2020	2019	2018	2017	2016	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017	2017 vs. 2016	2021	2020	2019	2018	2017	2016
Reported / GAAP	$ 4,646	$ 3,436	$ 2,657	$ 2,529	$ 2,429	$ 2,417	35.2%	29.3%	5.1%	4.1%	0.5%	23.8%	21.5%	18.7%	17.5%	18.2%	19.6%
Transformation and Other	74	96	122	76	-	-						0.4%	0.7%	0.8%	0.5%	0.0%	0.0%
Legal Contingencies and Expenses	-	-	-	-	-	-						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted	$ 4,720	$ 3,532	$ 2,779	$ 2,605	$ 2,429	$ 2,417	33.6%	27.1%	6.7%	7.2%	0.5%	24.2%	22.2%	19.5%	18.0%	18.2%	19.6%

	Supply Chain Solutions[1]						Supply Chain Solutions[1]					Supply Chain Solutions[1]					
	2021	2020	2019	2018	2017	2016	2021 vs. 2020	2020 vs. 2019	2019 vs. 2018	2018 vs. 2017	2017 vs. 2016	2021	2020	2019	2018	2017	2016
Reported / GAAP	$ 1,728	$ 357	$ 977	$ 852	$ 797	$ 643	384.0%	-63.5%	14.7%	6.9%	24.0%	9.9%	2.4%	7.3%	6.2%	6.4%	5.9%
Transformation and Other	(21)	701	25	49	-	-						-0.1%	4.6%	0.2%	0.4%	0.0%	0.0%
Legal Contingencies and Expenses	-	-	-	-	-	-						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted	$ 1,707	$ 1,058	$ 1,002	$ 901	$ 797	$ 643	61.3%	5.6%	11.2%	13.0%	24.0%	9.8%	7.0%	7.5%	6.5%	6.4%	5.9%

[1]Supply Chain Solutions results included UPS Freight until April 30, 2021

Reconciliations

Adjusted Return on Invested Capital (Non-GAAP)
(in millions):

	Trailing Twelve Months Ending:		
	June 30, 2022	**December 31, 2021**	**December 31, 2020**
Net income	$ 10,933	$ 12,890	$ 1,343
Add back (deduct):			
Income tax expense	3,111	3,705	501
Interest expense	695	694	701
Investment (income) expense and other	(1,166)	(4,479)	5,139
Operating profit	13,573	12,810	7,684
Transformation and other	231	334	1,034
Adjusted operating profit	$ 13,804	$ 13,144	$ 8,718
Average debt and finance leases, including current maturities	$ 21,584	$ 23,285	$ 24,946
Average pension and postretirement benefit obligations	8,009	11,932	13,209
Average shareowners' equity	13,566	7,469	1,976
Average Invested Capital	$ 43,159	$ 42,686	$ 40,131
Net income to average invested capital	25.3%	30.2%	3.3%
Adjusted Return on Invested Capital	32.0%	30.8%	21.7%

Reconciliations

Adjusted Total Debt / Adjusted EBITDA (Non-GAAP)
(in millions):

	Trailing Twelve Months Ending:		
	June 30, 2022	**December 31, 2021**	**December 31, 2020**
Net income	$ 10,933	$ 12,890	$ 1,343
Add back:			
Income tax expense	3,111	3,705	501
Interest expense	695	694	701
Depreciation & amortization	3,018	2,953	2,698
EBITDA	17,757	20,242	5,243
Add back (deduct):			
Transformation and other	231	334	1,034
Defined benefit plans mark-to-market (gain) loss	(15)	(3,272)	6,484
Investment income and other	(1,151)	(1,207)	(1,345)
Adjusted EBITDA	$ 16,822	$ 16,097	$ 11,416
Debt and finance leases, including current maturities	$ 20,576	$ 21,915	$ 24,654
Add back:			
Non-current pension and postretirement benefit obligations	8,343	8,047	15,817
Adjusted total debt	$ 28,919	$ 29,962	$ 40,471
Adjusted total debt/adjusted EBITDA	1.72	1.86	3.55