



3Q26

Earnings Call

October 27, 2026



UPS Speakers



CAROL B. TOMÉ

Chief Executive Officer



BRIAN DYKES

Chief Financial Officer



PJ GUIDO

Investor Relations 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”. 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.

From time to time, we also include written or oral forward-looking statements in other publicly disclosed materials. Such 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: changes in general economic conditions in the U.S. or internationally, including as a result of changes in the global trade policy, new or increased tariffs, government shutdowns, or geopolitical uncertainty, tensions and/or conflicts in or arising from various countries and regions, including the European Union, Ukraine, the Russian Federation, the Middle East and the Trans-Pacific region; significant competition on a local, regional, national and international basis; changes in our relationships with our significant customers; our ability to attract and retain qualified employees; strikes, work stoppages or slowdowns by our employees; increased or more complex physical or operational security requirements; a significant cybersecurity incident, or increased data protection regulations; our ability to maintain our brand image and corporate reputation; impacts from 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, regulatory and social developments in international and emerging markets; our ability to realize the anticipated benefits from acquisitions, dispositions, joint ventures or strategic

alliances; the effects of changing prices of energy, including gasoline, diesel, jet fuel, other fuels and interruptions in supplies of these commodities; changes in exchange rates or interest rates; our ability to accurately forecast our future capital investment needs; increases in our expenses or 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 regulations related 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, 2025 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, except as required by law.

See the appendix for reconciliations of adjusted results and other non-GAAP adjusted financial measures.

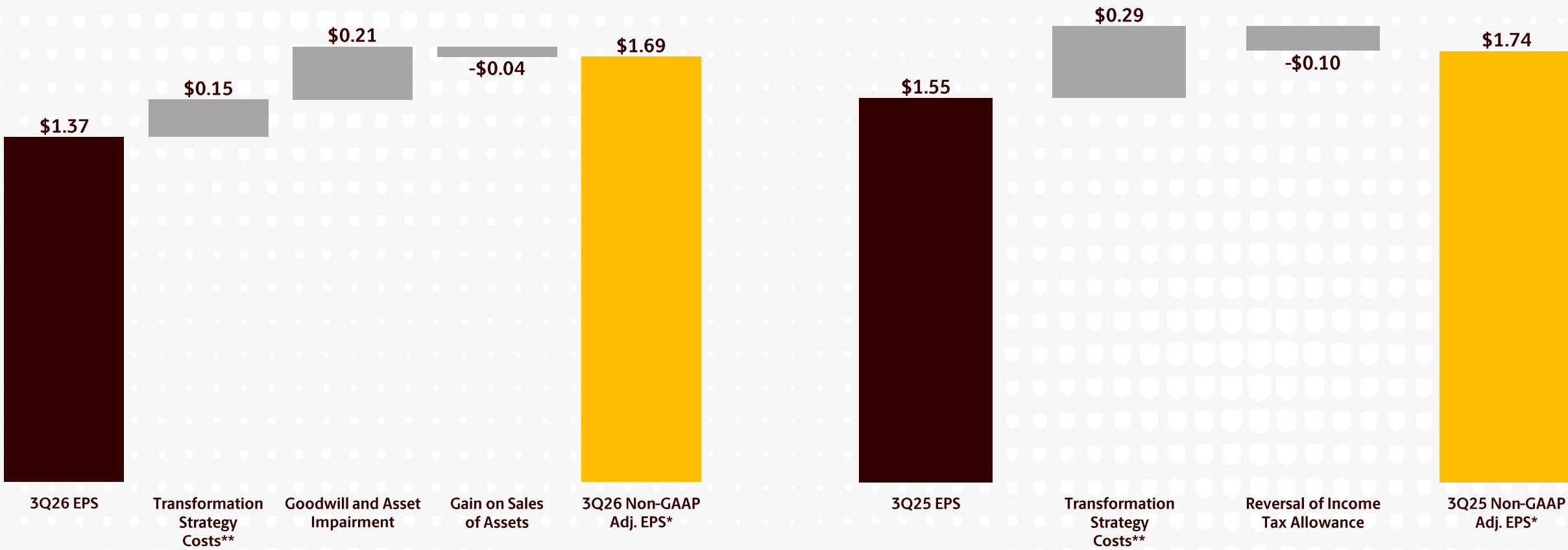
The Company routinely posts important information, including news releases, announcements, materials provided or displayed at analyst or investor conferences, and other statements about its business and results of operations, that may be deemed material to investors on the Company’s Investors Relations website at www.investors.ups.com. The Company uses its website as a means of disclosing material, nonpublic information and for complying with the Company’s disclosure obligations under Regulation FD. Investors should monitor the Company’s Investor Relations website in addition to following the Company’s press releases, filings with the SEC, public conference calls and webcasts. We do not incorporate the contents of any website into this or any other report we file with the SEC.



Diluted EPS

3Q26

3Q25



*Non-GAAP adjusted financial measure. See Appendix for reconciliation to GAAP financial measure.
** For additional information on our Transformation initiatives, see the Appendix to this presentation.



CAROL B. TOMÉ
Chief Executive Officer



THANK YOU UPSERS

Moving our world forward by delivering what matters.



Our 3Q Financial Results Marked Another Quarter of Strong Performance

Revenue grew Y/Y across all three segments

3Q26 Consolidated Results

	3Q26	3Q25	Change Y/Y
Revenue (\$ Ms)	\$22,853	\$21,415	6.7%
Non-GAAP Adj. Operating Profit* (\$ Ms)	\$2,054	\$2,132	-3.7%
Non-GAAP Adj. Operating Margin*	9.0%	10.0%	-100 bps
Non-GAAP Adj. Diluted EPS*	\$1.69	\$1.74	-2.9%

- 3Q25 results included a \$330M pre-tax gain within Supply Chain Solutions, or \$0.30 of EPS, from a sale-leaseback transaction

“We’re driving more premium growth, improving revenue quality and mix, and creating greater operating leverage through a more efficient network. All of this is strengthening the underlying performance of our business.”

Carol B. Tomé, CEO



In September, We Announced a New Global Operating Model



CAROL B. TOMÉ
CEO



MATT GUFFEY
U.S. Domestic Businesses



WILFREDO RAMOS
International, Global Healthcare,
Forwarding & Logistics



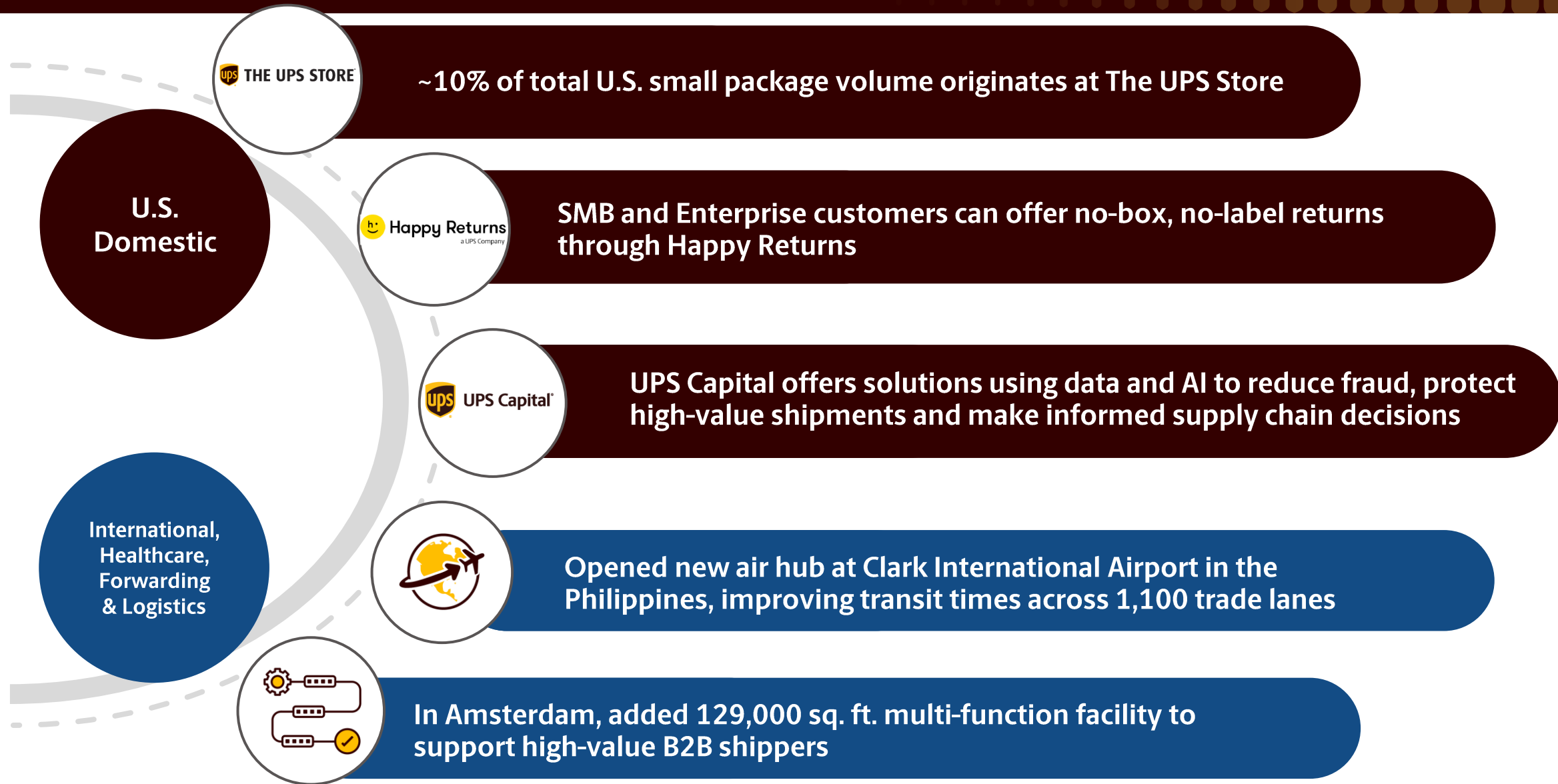
NANDO CESARONE
Global Operations

Under this approach, UPS is:

- Serving our customers with greater consistency, agility, and scale
- Standardizing critical operational processes across geographies while maintaining local market flexibility
- Unlocking new synergies across our businesses to accelerate premium growth



Our New Operating Model Will Strengthen Business Performance Through Premium Growth in Complex Logistics and a More Efficient Global Network



Our Network is More Automated, More Efficient and Better Positioned Than Ever to Handle the Holiday Surge

- A little over 100 U.S. customers drive ~80% of our peak volume surge each year
 - Expect U.S. average daily volume to increase ~25% from 3Q to 4Q
- Investments in our network enable us to operate with fewer vehicle rentals and aircraft leases
- Nearly 70% of all packages will flow through automated processes
- RFID capabilities increase productivity with little to no scanning, while improving visibility and on-time delivery

Eight consecutive years of industry-leading on-time service... ready to make it nine



We Expect the Momentum We've Built to Continue
Raising our full-year 2026 outlook

Full-year 2026 Consolidated Guidance



Revenue

~\$92.6B



Non-GAAP adj. operating profit*

~\$8.75B





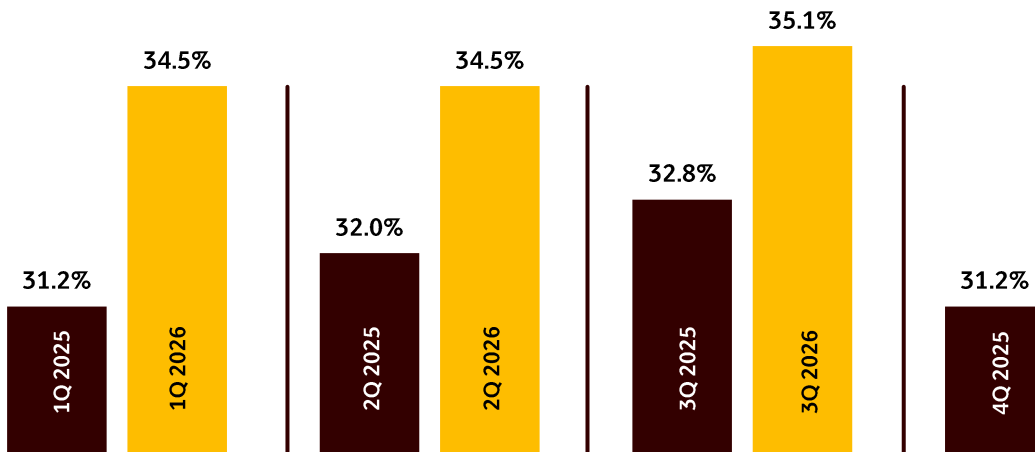
BRIAN DYKES

Chief Financial Officer



Average Daily Volume Growth From SMB and Certain Enterprise Customers Was Up More Than 200,000 Pieces Per Day Y/Y

SMB % of Total Volume (Y/Y)



- Strong demand from SMB customers drove SMB ADV up 3.7% Y/Y
- SMBs represented a record 35.1% of total U.S. volume

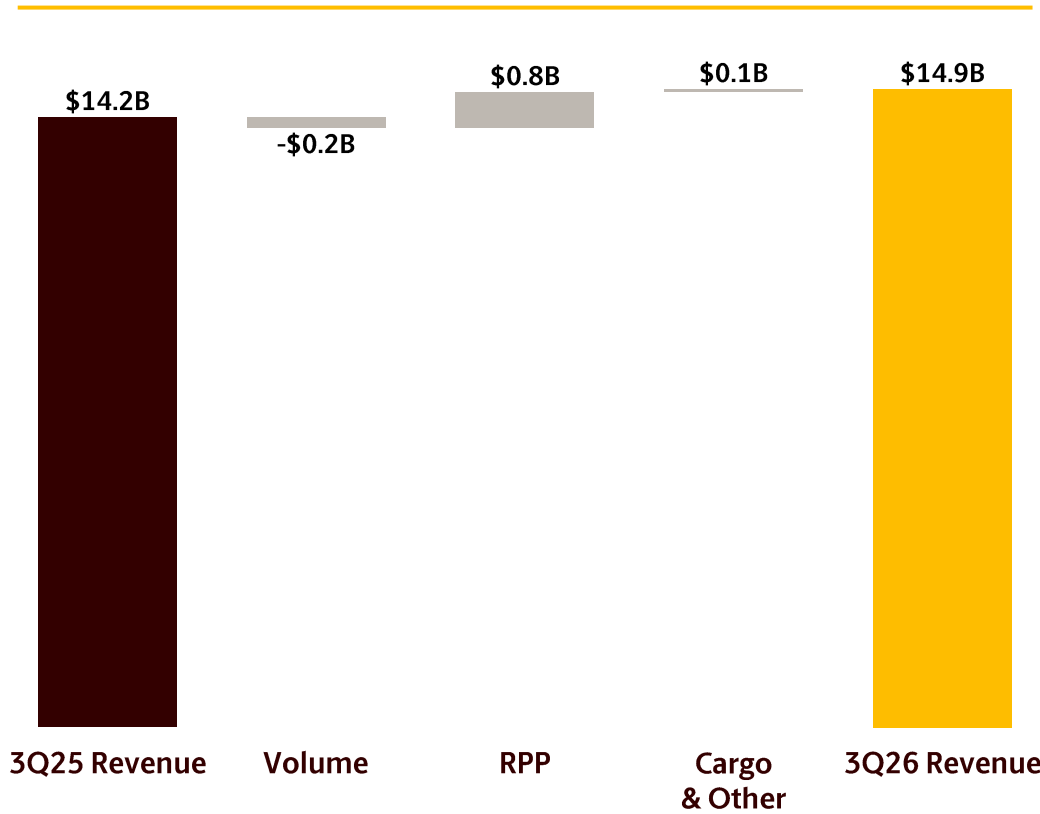
- SMB and certain Enterprise customers increased Ground ADV by 2.1% Y/Y
- Air ADV from SMB and these Enterprise customers was flat Y/Y
- Overall ADV declined, reflecting deliberate actions we took earlier in the year to reduce certain volume
- B2B customer mix becoming more diversified, with healthcare, high tech, manufacturing and automotive representing a larger share of total U.S. volume



Generated \$14.9B in Revenue, an Increase of 4.5% Y/Y

Driven by strong RPP growth

Revenue Change (+4.5% Y/Y)



Revenue per piece (RPP) increased 6.1% Y/Y:

- About half of RPP growth driven by base rates and customer mix improvements
- Higher fuel rates contributed the remainder of the increase



Delivered Over \$1B in Non-GAAP Adj. Operating Profit*, Up 14.3% Y/Y

3Q26 U.S. Domestic Results

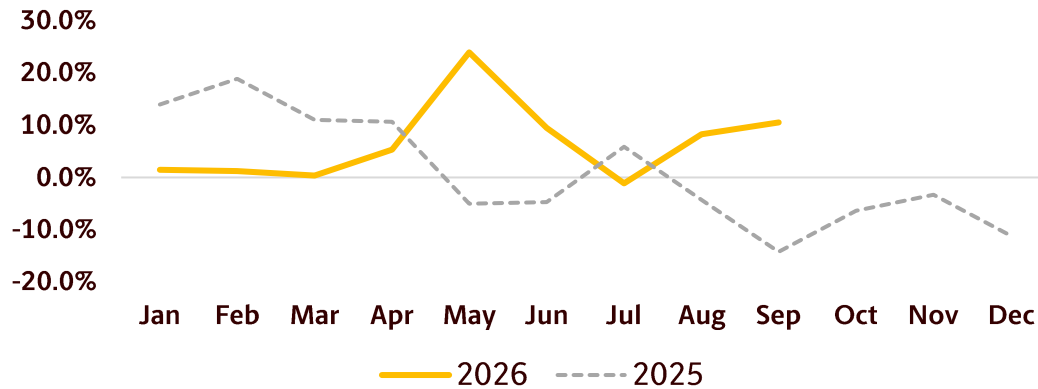
	3Q26	3Q25	Change Y/Y
Revenue (\$ Ms)	\$14,865	\$14,220	4.5%
Non-GAAP Adj. Operating Profit* (\$ Ms)	\$1,034	\$905	14.3%
Non-GAAP Adj. Operating Margin*	7.0%	6.4%	60 bps

- Total non-GAAP adj. operating expense* increased 3.9% Y/Y
 - Increase primarily came from fuel and purchased transportation
- Growth in revenue-per-piece was 60 basis points higher than growth in cost-per-piece
- Non-GAAP adj. operating margin* of 7.0%, a 60-basis point increase Y/Y



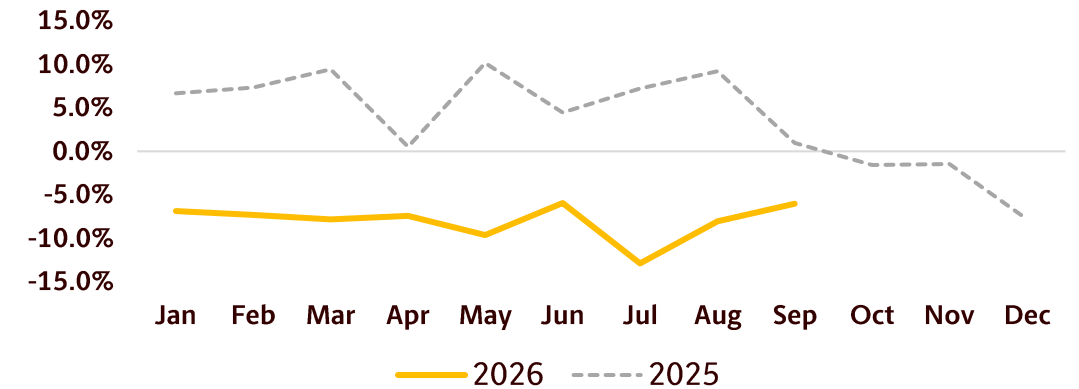
International Delivered Strong Revenue Growth and Returned to Y/Y Non-GAAP Adj. Operating Profit* Growth For the First Time in Six Quarters

Total Asia* Monthly ADV (Y/Y)

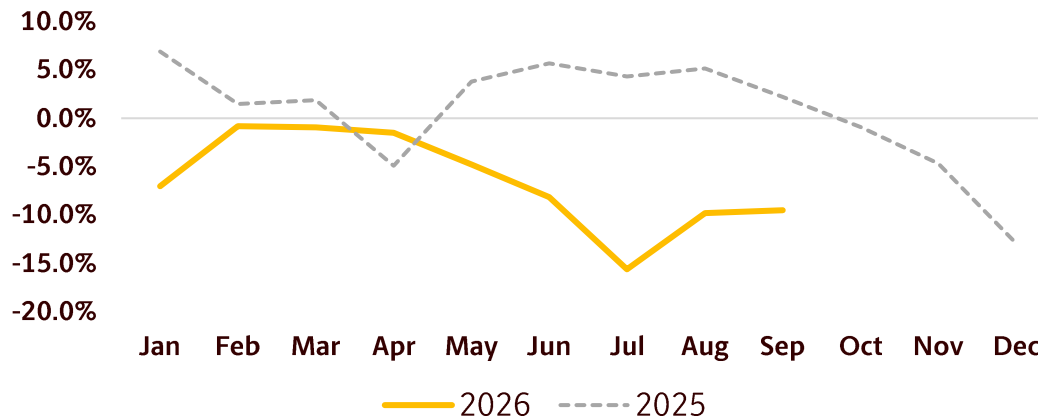


*Lunar New Year was in February 2026 and January 2025

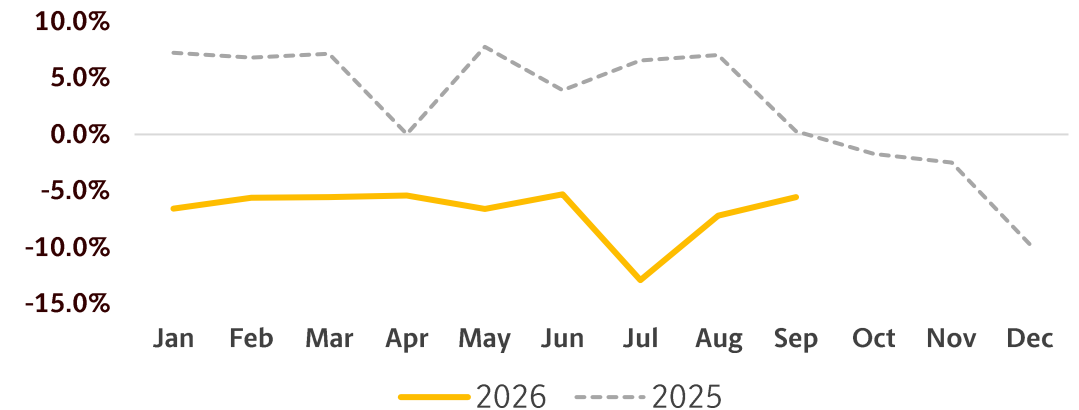
Total Europe Monthly ADV (Y/Y)



Total Americas Monthly ADV (Y/Y)



Total International Monthly ADV (Y/Y)



Increased Revenue 7.1% Y/Y, Driven by Strong Revenue-Per-Piece Growth

3Q26 International Results

	3Q26	3Q25	Change Y/Y
Revenue (\$ Ms)	\$5,007	\$4,673	7.1%
Non-GAAP Adj. Operating Profit (\$ Ms)*	\$746	\$691	8.0%
Non-GAAP Adj. Operating Margin*	14.9%	14.8%	10 bps

- Revenue per piece increased 15.0% Y/Y, with around half coming from fuel
- Fuel surcharges helped to offset higher fuel expense and preserve operating profit
- Non-GAAP adj. operating profit* of \$746M, an increase of \$55M Y/Y
- Non-GAAP adj. operating margin* of 14.9%, up 10 basis points Y/Y



Delivered Strong Revenue Growth Y/Y Driven By a Focus on Premium Volume

3Q26 Supply Chain Solutions Results

	3Q26	3Q25	Change Y/Y
Revenue (\$ Ms)	\$2,981	\$2,522	18.2%
Non-GAAP Adj. Operating Profit (\$ Ms)*	\$274	\$536	(48.9%)
Non-GAAP Adj. Operating Margin*	9.2%	21.3%	(1,210 bps)

- Forwarding revenue increased 17.5% Y/Y, driven by higher rates in International Air Freight and Ocean Freight
 - Ocean grew shipments in the quarter
- Logistics revenue up 17.2% Y/Y, driven by Healthcare logistics, partially offset by a decline in our Mail Innovations business
- UPS Digital, including Roadie and Happy Returns, delivered revenue growth of nearly 50% Y/Y
- Non-GAAP adj. operating margin* of 9.2%
- 3Q25 results included a \$330M pre-tax gain within Supply Chain Solutions, or \$0.30 of EPS, from a sale-leaseback transaction



Strong YTD cash flow and liquidity

Cash from Operations

\$6.0B

Free Cash Flow*

\$4.2B

Including payments made for the
Driver Choice Program

Cash on the balance sheet

\$6.8B

No outstanding
commercial paper

Dividends Paid

\$4.1B

\$1.3B in bonds issued to refinance a debt maturity and to complete a pension contribution of \$450M of UPS bonds to our pension asset portfolio



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

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Lifting Our Full-year Outlook and Raising Our Fourth-quarter Revenue and Non-GAAP Adj. Operating Profit* Expectations



Consolidated Guidance

Full-year 2026 Guidance

• Revenue	~\$92.6B
• Non-GAAP adj. operating profit*	~\$8.75B
• Non-GAAP adj. diluted EPS*	~\$7.28
• Capital expenditures	~\$3.0B
• Pension contributions	\$1.3B
• Free cash flow* including DCP	~\$6.1B
• Dividends, pending BOD approval	~\$5.4B
• Effective tax rate	~23%

4Q26 Guidance

• Revenue	~\$25.7B
• Non-GAAP adj. operating profit*	~\$3.3B

4Q26 Guidance



U.S. Domestic

Revenue	Up ~3.0% Y/Y
Non-GAAP adj. operating margin*	~10.5%



International

Revenue	Up ~7.0% Y/Y
Non-GAAP adj. operating margin*	~20.0%



Supply Chain Solutions

Revenue	Up nearly 13% Y/Y
Non-GAAP adj. operating margin*	~12.2%





Questions & Answers



Appendix



Reconciliation of GAAP and Non-GAAP Financial Measures

Reconciliation of GAAP and Non-GAAP Adjusted Financial Measures

We supplement the reporting of our financial information determined under generally accepted accounting principles ("GAAP") with certain non-GAAP adjusted financial measures. Management views and evaluates business performance on both a GAAP basis and by excluding costs and benefits associated with these non-GAAP adjusted financial measures. As a result, we believe the presentation of these non-GAAP adjusted financial measures better enables users of our financial information to view and evaluate underlying business performance from the same perspective as management.

Non-GAAP adjusted financial measures should be considered in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP. Our non-GAAP 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 Adjusted Financial Measures

From time to time when presenting forward-looking non-GAAP adjusted financial measures, 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.

Transformation Strategy Costs

We exclude the impact of charges related to initiatives within our transformation strategy. Our transformation strategy initiatives have spanned several years and are designed to fundamentally change the spans and layers of our organization structure, processes, technologies and the composition of our business portfolio.

Various circumstances precipitated these initiatives, including identification and prioritization of certain investments, developments and changes in competitive landscapes, inflationary pressures, consumer behaviors, and other factors including post-COVID normalization and volume diversions attributed to our 2023 labor negotiations.

Our transformation strategy has included the following initiatives:

Transformation 2.0: We reduced spans and layers of management, reviewed and refined our business portfolio and invested in certain technologies to reduce costs, increase visibility and reduce reliance on legacy systems. Costs associated with Transformation 2.0 consisted primarily of compensation and benefit costs related to reductions in our workforce and fees paid to third-party consultants. This initiative was completed in 2025.

Fit to Serve: We undertook our Fit to Serve initiative to right-size our business to create a more efficient operating model that was more responsive to market dynamics through a workforce reduction, primarily within management. This initiative was completed in 2025.

Network Reconfiguration and Efficiency Reimagined: Our Network of the Future initiative is enhancing the efficiency of our U.S. Domestic Package network through automation and operational sort consolidation. In connection with our strategic execution of planned volume declines from our largest customer, we began our Network Reconfiguration initiative in the fourth quarter of 2024, which was an expansion of Network of the Future and under which we are further consolidating facilities, vehicles, aircraft and our workforce, as well as, executing an end-to-end process redesign through our Efficiency Reimagined initiative.

Through these initiatives, in the first nine months of 2026, we reduced our operational workforce, closed certain daily operations at leased and owned buildings and achieved approximately \$1.8 billion of program benefits. We expect to achieve nearly \$3 billion in full year 2026 benefits from these initiatives.

As a part of these initiatives, we expect non-GAAP adjusted operating expense to exclude between \$1.4 and \$1.6 billion in cost for the full year 2026, primarily related to employee separation costs and third-party consulting fees, of which \$1.2 billion is related to the Driver Choice Program. As of September 30, 2026 we had incurred \$1.4 billion in costs during 2026,

and \$1.9 billion in total costs, as a part of these initiatives. While the planned volume reductions from our largest customer were completed in the second quarter of 2026, our Efficiency Reimagined initiative is not expected to conclude until the fourth quarter of 2027.

We do not consider the related costs to be ordinary because each program involves separate and distinct activities that span multiple periods, and such costs are not expected to drive incremental revenue. These initiatives exceed ordinary, ongoing efforts to enhance our business performance and profitability.

Gains and Losses on Sales of Assets

We previously recorded non-GAAP adjustments for the impairment of our MD-11 aircraft recognized in the fourth quarter of 2025. As a result of subsequent sales of related previously impaired parts associated with these aircraft, we recognized gains on sales during 2026. We supplement our presentation with non-GAAP adjusted financial measures that exclude the impact of these gains, as we believe such treatment is consistent with how the related impairment was initially presented.

Net Loss (Gain) on Divestitures

We exclude the impact of gains and losses related to business divestitures. We do not consider these transactions to be a component of our ongoing operations, nor do we consider their impact when evaluating business unit operating performance, resource allocation decisions or incentive compensation award determinations.

Goodwill and Asset Impairments

We exclude the impact of goodwill and certain asset impairment charges. We do not consider these charges when evaluating business unit operating performance, resource allocation decisions or incentive compensation award determinations.

Reversal of Income Tax Valuation Allowance

We previously recorded non-GAAP adjustments for transactions that resulted in capital loss deferred tax assets that were not expected to be realized. As a result of property sales during 2025, we realized these capital losses. We supplement our presentation with non-GAAP adjusted financial measures that exclude the impact of the reversals of the valuation allowances against these deferred tax assets as we believe such treatment is consistent with how the valuation allowance was initially established.

Non-GAAP Adjusted Cost per Piece

We evaluate the efficiency of our operations using various metrics, including non-GAAP adjusted cost per piece. Non-GAAP adjusted cost per piece in any period is calculated as non-GAAP adjusted operating expenses divided by total volume. Because non-GAAP adjusted operating expenses exclude costs or charges that we do not consider a part of underlying business performance when monitoring and evaluating business unit operating performance, making resource allocation decisions or incentive compensation award determinations, we believe this is the appropriate metric on which to base reviews and evaluations of the efficiency of our operational performance.

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.

Reconciliations

United Parcel Service, Inc.
Reconciliation of GAAP and Non-GAAP Adjusted Measures
(unaudited)

Three Months Ended
September 30,

(amounts in millions)	2026	2025		2026	2025
Operating Profit (GAAP)	\$ 1,744	\$ 1,804	Operating Margin (GAAP)	7.6 %	8.4 %
Transformation Strategy Costs:			Transformation Strategy Costs:		
<i>Transformation 2.0</i>	—	13	<i>Transformation 2.0</i>	— %	0.1 %
<i>Fit to Serve</i>	—	19	<i>Fit to Serve</i>	— %	0.1 %
<i>Network Reconfiguration and Efficiency Reimagined</i>	171	296	<i>Network Reconfiguration and Efficiency Reimagined</i>	0.8 %	1.4 %
Total Transformation Strategy Costs	171	328	Total Transformation Strategy Costs	0.8 %	1.6 %
Goodwill and Asset Impairment Charges ⁽¹⁾	182	—	Goodwill and Asset Impairment Charges ⁽¹⁾	0.8 %	0.0 %
Gains on Sales of Assets ⁽²⁾	(43)	—	Gains on Sales of Assets ⁽²⁾	(0.2)%	0.0 %
Non-GAAP Adjusted Operating Profit	\$ 2,054	\$ 2,132	Non-GAAP Adjusted Operating Margin	9.0 %	10.0 %

⁽¹⁾ Reflects Goodwill and Asset Impairment Charges for a reporting unit within SCS in 2026.

⁽²⁾ Reflects a gain on the sale of previously impaired aircraft parts in 2026.



Reconciliations

United Parcel Service, Inc.
Reconciliation of GAAP and Non-GAAP Adjusted Measures
(unaudited)

Three Months Ended
September 30,

(amounts in millions)					
	2026	2025		2026	2025
Income Before Income Taxes (GAAP)	\$ 1,571	\$ 1,607	Income Tax Expense (GAAP)	\$ 408	\$ 296
Transformation Strategy Costs:			Transformation Strategy Costs:		
<i>Transformation 2.0</i>	—	13	<i>Transformation 2.0</i>	—	3
<i>Fit to Serve</i>	—	19	<i>Fit to Serve</i>	—	4
<i>Network Reconfiguration and Efficiency Reimagined</i>	171	296	<i>Network Reconfiguration and Efficiency Reimagined</i>	41	71
Total Transformation Strategy Costs	171	328	Total Transformation Strategy Costs	41	78
Goodwill and Asset Impairment Charges ⁽¹⁾	182	—	Goodwill and Asset Impairment Charges ⁽¹⁾	—	—
Gains on Sales of Assets ⁽²⁾	(43)	—	Gains on Sales of Assets ⁽²⁾	(10)	—
			Reversal of Income Tax Valuation Allowance ⁽³⁾	—	86
Non-GAAP Adjusted Income Before Income Taxes	\$ 1,881	\$ 1,935	Non-GAAP Adjusted Income Tax Expense	\$ 439	\$ 460

⁽¹⁾ Reflects Goodwill and Asset Impairment Charges for a reporting unit within SCS in 2026.

⁽²⁾ Reflects a gain on the sale of previously impaired aircraft parts in 2026.

⁽³⁾ Reflects the reversal of an income tax valuation allowance in 2025.



Reconciliations

United Parcel Service, Inc.
Reconciliation of GAAP and Non-GAAP Adjusted Measures
(unaudited)

Three Months Ended
September 30,

(amounts in millions)				September 30,					
		2026	2025			2026		2025	
Net Income (GAAP)		\$ 1,163	\$ 1,311	Diluted Earnings Per Share (GAAP)		\$ 1.37	\$ 1.55		
Transformation Strategy Costs:				Transformation Strategy Costs:					
Transformation 2.0		—	10	Transformation 2.0		—	0.01		
Fit to Serve		—	15	Fit to Serve		—	0.02		
Network Reconfiguration and Efficiency Reimagined		130	225	Network Reconfiguration and Efficiency Reimagined		0.15	0.26		
Total Transformation Strategy Costs		130	250	Total Transformation Strategy Costs		0.15	0.29		
Goodwill and Asset Impairment Charges ⁽¹⁾		182	—	Goodwill and Asset Impairment Charges ⁽¹⁾		0.21	—		
Gains on Sales of Assets ⁽²⁾		(33)	—	Gains on Sales of Assets ⁽²⁾		(0.04)	—		
Reversal of Income Tax Valuation Allowance ⁽³⁾		—	(86)	Reversal of Income Tax Valuation Allowance ⁽³⁾		—	(0.10)		
Non-GAAP Adjusted Net Income		\$ 1,442	\$ 1,475	Non-GAAP Adjusted Diluted Earnings Per Share		\$ 1.69	\$ 1.74		

⁽¹⁾ Reflects Goodwill and Asset Impairment Charges for a reporting unit within SCS in 2026.

⁽²⁾ Reflects a gain on the sale of previously impaired aircraft parts in 2026.

⁽³⁾ Reflects the reversal of an income tax valuation allowance in 2025.



Reconciliations

United Parcel Service, Inc.
Reconciliation of GAAP and Non-GAAP Adjusted Measures by Segment
(unaudited)

Three Months Ended September 30,								
	2026	2025		2026	2025		2026	2025
	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
U.S. Domestic Package								
GAAP	\$ 13,959	\$ 13,617	2.5 %	\$ 906	\$ 603	50.2 %	6.1 %	4.2 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(171)	(302)		171	302		1.2 %	2.2 %
Gains on Sales of Assets	43	—		(43)	—		(0.3)%	— %
Non-GAAP Adjusted Measure	\$ 13,831	\$ 13,315	3.9 %	\$ 1,034	\$ 905	14.3 %	7.0 %	6.4 %
International Package								
GAAP	\$ 4,261	\$ 3,997	6.6 %	\$ 746	\$ 676	10.4 %	14.9 %	14.5 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	—	(15)		—	15		— %	0.3 %
Non-GAAP Adjusted Measure	\$ 4,261	\$ 3,982	7.0 %	\$ 746	\$ 691	8.0 %	14.9 %	14.8 %
Supply Chain Solutions								
GAAP	\$ 2,889	\$ 1,997	44.7 %	\$ 92	\$ 525	(82.5)%	3.1 %	20.8 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	—	(11)		—	11		— %	0.5 %
Goodwill and Asset Impairment Charges	(182)	—		182	—		6.1 %	— %
Non-GAAP Adjusted Measure	\$ 2,707	\$ 1,986	36.3 %	\$ 274	\$ 536	(48.9)%	9.2 %	21.3 %



Reconciliations

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

(amounts in millions):

	Nine Months Ended September 30,	
	2026	2025
Cash flows from operating activities	\$ 5,986	\$ 5,148
Capital expenditures	(2,221)	(2,969)
Proceeds from disposals of property, plant and equipment	473	585
Other investing activities	(18)	(20)
Free Cash Flow (Non-GAAP measure)	<u>\$ 4,220</u>	<u>\$ 2,744</u>

Certain amounts are calculated based on unrounded numbers.



Reconciliations

United Parcel Service, Inc.
Reconciliation of GAAP and Non-GAAP Adjusted Measures - U.S. Domestic Cost Per Piece
(unaudited)

	Three Months Ended September 30,		% Change
	2026	2025	
Operating Days	65	64	
Average Daily U.S. Domestic Package Volume (in thousands)	15,621	16,150	
U.S. Domestic Package Cost Per Piece (GAAP)	\$ 13.45	\$ 12.92	4.1 %
Transformation Strategy Costs	(0.17)	(0.29)	
Gains on sales of assets	0.04	—	
U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece	\$ 13.32	\$ 12.63	5.5 %

Note: Cost per piece excludes expense associated with cargo and other activity.

