4Q19 Earnings Announcement

January 30, 2020

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Scott Childress

Investor Relations Officer

UPS Speakers

David Abney
Chairman and CEO

Brian Newman
Chief Financial Officer

Additional Q&A Participants:

Kate Gutmann
Chief Sales and Solutions Officer

Nando Cesarone
President, International

George Willis
President, U.S. Operations

Juan Perez
Chief Information and Engineering Officer

Scott Price
Chief Strategy and Transformation Officer

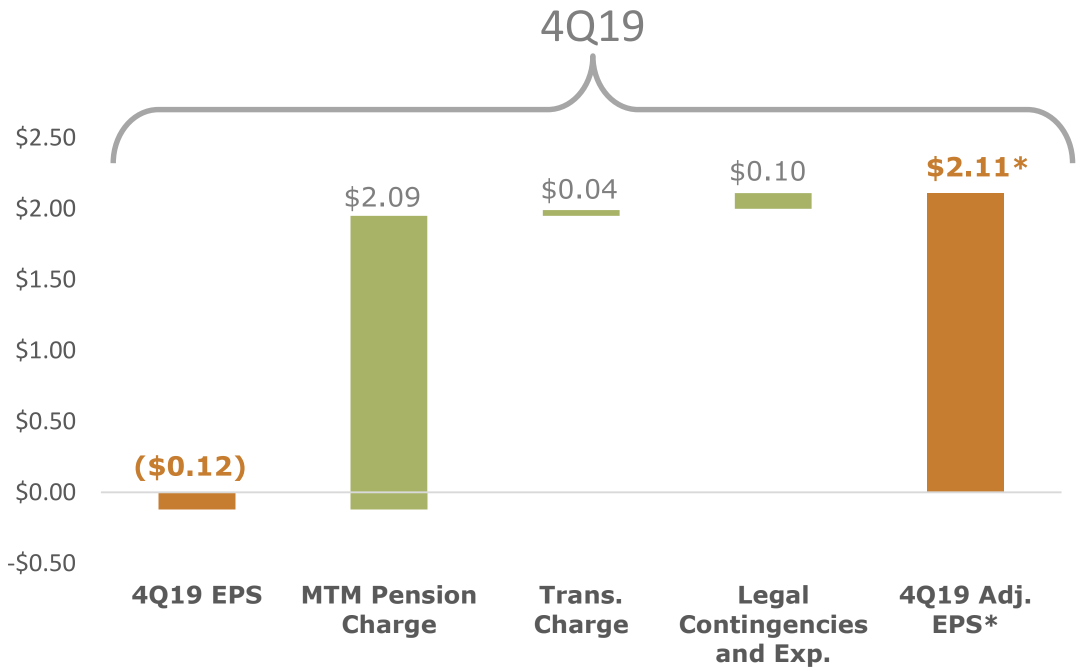
Forward-Looking Statements and Non-GAAP Reconciliations

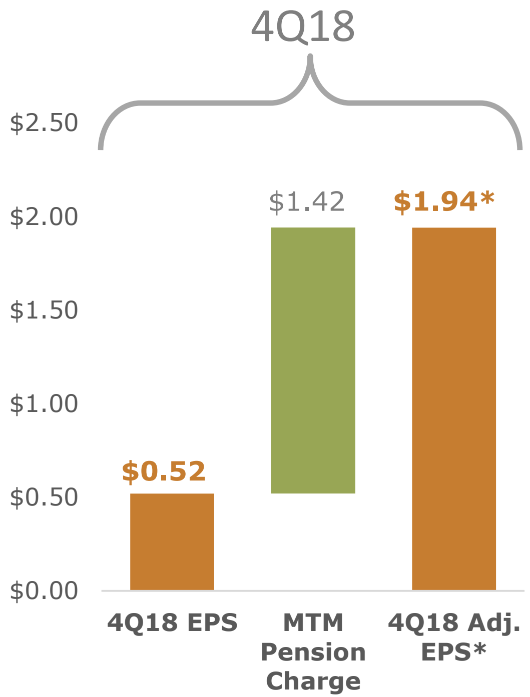
This presentation, our Annual Report on Form 10-K for the year ended December 31, 2018 and our other filings from time to time with the Securities and Exchange Commission contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. From time to time, we also provide forward-looking statements in other materials we release as well as oral forward-looking statements. Statements regarding our intent, belief and current expectations about our strategic direction, prospects and future results, and all statements accompanied by terms such as “believe,” “project,” “expect,” “estimate,” “assume,” “intend,” “anticipate,” “target,” “plan,” and variations thereof and similar terms are intended to be forward-looking statements. Such statements give our current expectations or forecasts of 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 such forward-looking statements because such statements speak only as of the date when made. Forward-looking statements are made subject to safe harbor protections 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.

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; significant competition on a local, regional, national, and international basis; changes in our relationships with our significant customers; changes in the complex and stringent regulation in the U.S. and internationally (including tax laws and regulations); increased physical or data security requirements that may increase our costs of operations and reduce operating efficiencies; legal, regulatory or market responses to global climate change; strikes, work stoppages and slowdowns by our employees; the effects of changing prices of energy, including gasoline, diesel and jet fuel, and interruptions in supplies of these commodities; changes in exchange rates or interest rates; uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate or benchmark; our ability to maintain the image of our brand; breaches in data security; disruptions to the Internet or our technology infrastructure; interruption of our business from severe weather or other natural or man-made disasters including terrorism; our ability to accurately forecast our future capital investment needs; exposure to changing economic, political and social developments in international and emerging markets; changes in business strategy, government regulations, or economic or market conditions that may result in substantial impairment of our assets; increases in our expenses or funding obligations relating to employee health, retiree health and/or pension benefits; potential additional tax liabilities in the U.S. or internationally; the potential for various claims and litigation related to labor and employment, personal injury, property damage, business practices, environmental liability and other matters; our ability to realize the anticipated benefits from acquisitions, joint ventures or strategic alliances; our ability to manage insurance and claims expenses; our ability to realize the anticipated benefits from our transformation initiatives; cyclical and seasonal fluctuations in our operating results; 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, 2018 and our quarterly report on Form 10-Q for the quarter ended June 30, 2019, or described from time to time in our future reports filed with the Securities and Exchange Commission. 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.

EPS vs. Adjusted EPS*





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

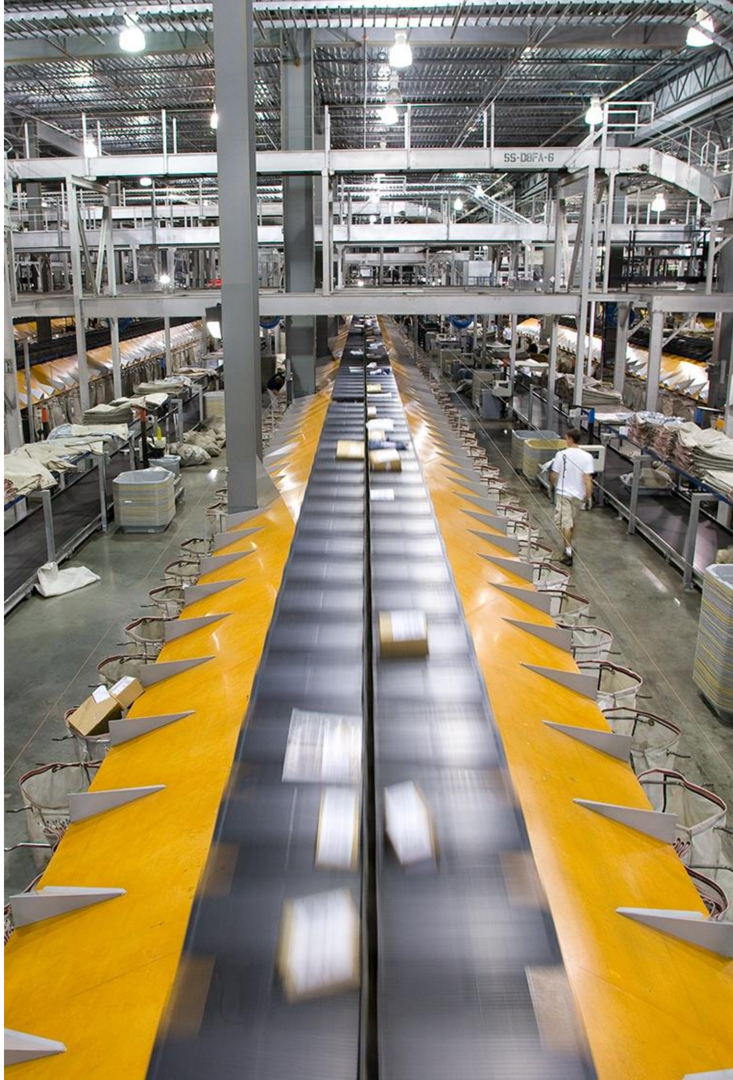
David Abney

Chairman and CEO

Delivered on our commitments

- Revenue growth.
- Improved network efficiency to drive operating leverage.
- Continuous transformation to stay ahead of market changes.

Our multi-year investment strategy is positioning us well to support the needs of our customers, generate profitable revenue growth, reward our shareowners and create opportunities for our employees.



Processed record volume during peak

- Delivered more than **1.6B** packages in the fourth quarter.
- Near **8%** increase in quarterly volume over last year.
- Provided industry-leading, on-time service during peak.

Our execution benefited from our increased automated capacity, the use of proven tools and technology and deeper collaboration with our customers.

For the company in the fourth quarter

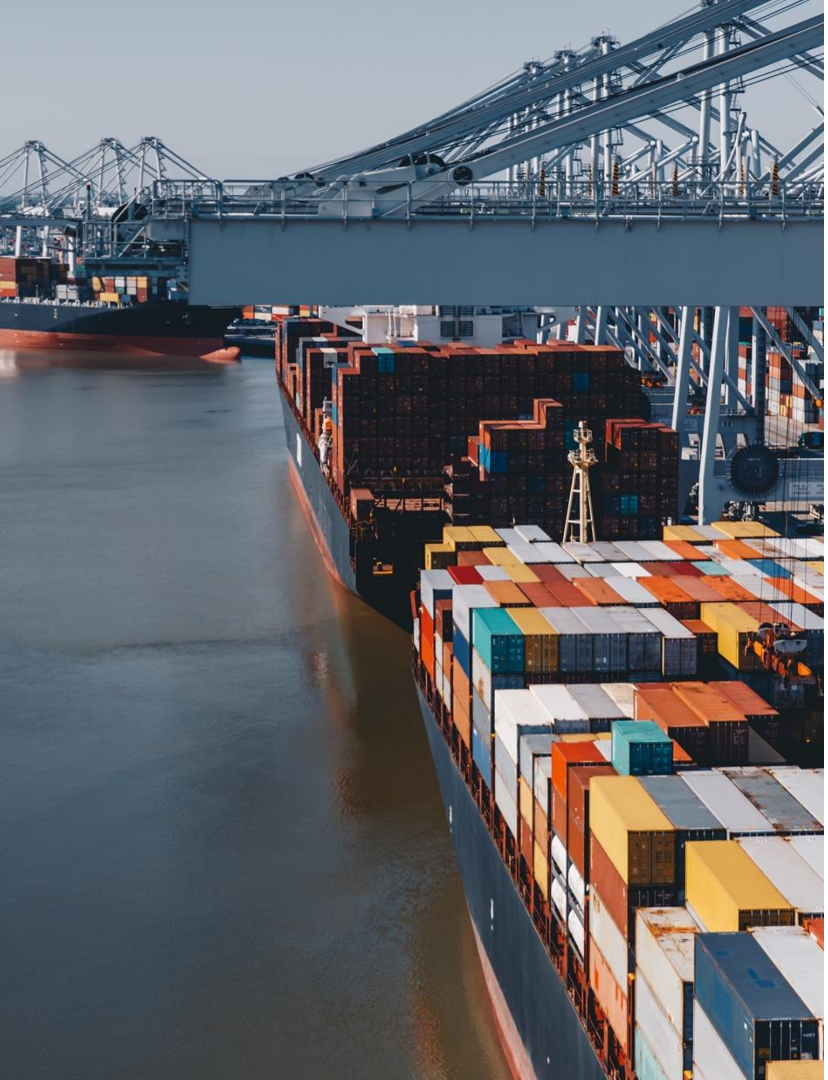
- Revenue grew **3.6%.**
- Operating profit increased over **6%**, and was up nearly **14%*** on an adjusted basis.
- Margins expanded in all segments.

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

Transformation strategies and investments position UPS to capture opportunity

- Embracing the e-commerce structural shift which brought a surge in Next Day Air volume of more than **22%** in 2019.
- Driving productivity gains which generated positive operating leverage in the fourth quarter and for the year.

Our integrated network provides UPS and our customers tremendous flexibility to more efficiently respond to the fast pace of change in the market.



2020 economic backdrop provides opportunities

- Consumer demand remains healthy.
- 2020 Global GDP estimated growth of 2.5%, about same as last year.
  - Slower growth in the first half of the year.
- Advancements with U.S. trade are encouraging:
  - USMCA.
  - U.S.-China phase-one trade agreement.

UPS is taking aggressive steps forward

- Tremendous opportunities amid structural shifts in the market.
- Electing to pull forward SMB initiatives.
  - Speeding up the network.
  - Expanding weekend operations.

UPS continues to introduce new SMB-centric solutions that help them compete and grow.

Enhancing network to enable faster speed to market

- Extended Hours Pickup for Next-Day Ground Delivery to cover 98% of the U.S. population.
- Expanding Saturday services to double the volume we handle and reach an additional **40M** consumers.
- Launching economical Sunday delivery to the majority of the U.S.

Further expanding our new automated capacity by adding 5M square feet to our integrated network.

New solutions for our growing SMB customer base

- Expanding My Choice for Business in 30 countries.
- Enhancing UPS.com to simplify cross-border trade.
- Next-generation technology expansions:
  - UPS Flight Forward at the University of California San Diego health campus.
  - A commitment to purchase 10,000 EV delivery vehicles from Arrival.
  - Deployment of Dynamic ORION in the U.S.

Brian Newman

Chief Financial Officer

4Q19 Financial Highlights

- Results enabled by our strategies, execution and investments.
- Generated positive operating leverage.
- Grew operating profit and margins across all segments.

Full-year EPS of $5.11 per diluted share, and $7.53* on an adjusted basis.

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

4Q19 U.S. Domestic

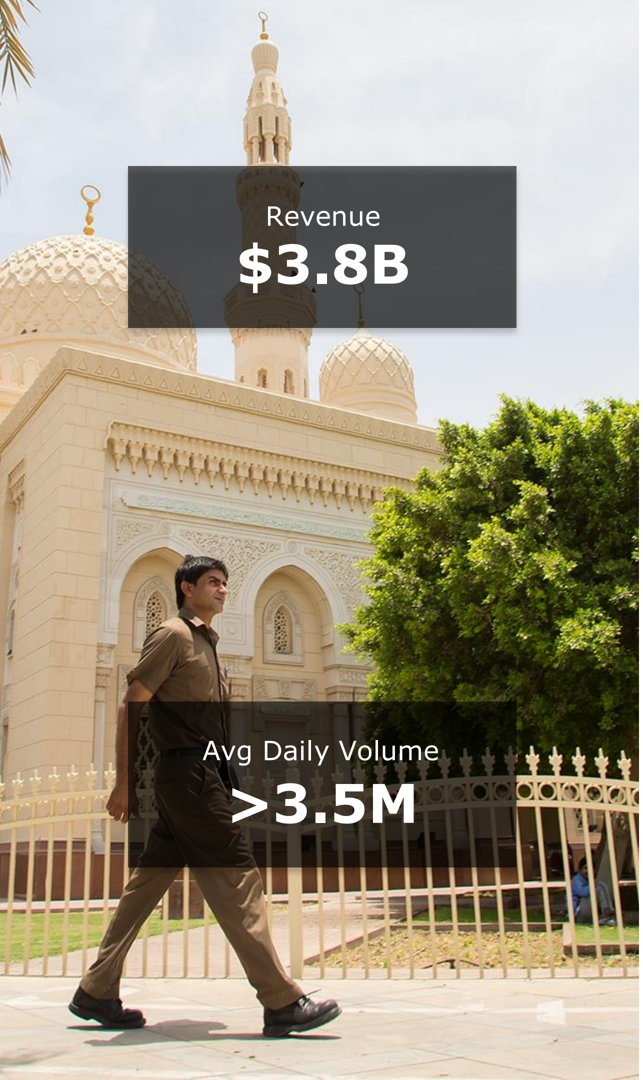
- U.S. Domestic revenue increased nearly **7%**.
- Growth from both B2C and B2B shippers.
- Customer and product mix dynamics decreased revenue per piece 2%.
- U.S. Domestic operating profit increased 7.5%, and more than **20%*** on an adjusted basis.

U.S. unit cost decreased, generating positive operating leverage.

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

Revenue
$13.4B
4Q +6.6%

4Q Avg Daily Volume
~23M



4Q19 International

- Total export volume down slightly, with gains on intra-Europe, intra-Asia, and U.S. export trade lanes.
- Adjusted global air capacity to match demand.
  - Lowered block hours by about 3%.
- International operating profit increased by more than 2%, and nearly **4%*** on an adjusted basis.
  - Operating margin expanded 80 bps, and 110 bps* on an adjusted basis.

Our performance further demonstrates our ability to leverage our capabilities and continuously adapt to grow profit.

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

4Q19 Supply Chain and Freight

- Operating profit increased more than 16%, and up **17%*** on an adjusted basis.
- Logistics, UPS Freight and Marken grew revenue and profit in the quarter.
    - Helping offset softer conditions faced by Coyote and Forwarding.

Solid execution resulted in expanded operating margins.

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

Generated strong cash flow to reinvest and reward

For the year ended December 31, 2019:

- **$8.6B** in cash from operations and **$4.1B*** of adjusted free cash flow.
- $6.4B CapEx, and on an adjusted basis **$6.5B*** in network investments.
  - CapEx lowered due to increased capital efficiencies.
- Returns to shareowners:
  - About **$1B** in share repurchases.
  - About **$3.3B** in dividends.

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

2019: Strong progress with our transformation

- Continually adjusted our integrated network.
- Generated strong operating leverage.
- Launched numerous SMB solutions.
- Took advantage of the next-day delivery structural change in the market.

UPS managed a significant increase in annual volume while increasing profit and expanding margins.

2020 EPS Guidance

2019 Adjusted Earnings per Share (EPS)*	**$7.53**	
Operating Profit:		
2020 Underlying Segment Performance	$0.46 - $0.76	***6% - 10%***
Discount Rate Pension Service Cost	($0.26)	
SMB Initiatives	($0.33)	
Total Other Income (Expense)**	$0.46	
Income Tax Expense	($0.10)	
2020 Adjusted EPS* Guidance**	**$7.76 to $8.06**	

SMB initiatives are expected to be EPS and margin accretive in 2021.

*Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.
** Because it is not possible to predict, potential impacts of a future pension mark-to-market adjustment are not included.
*** Non-GAAP financial measure.

2020 Outlook

- U.S. revenue expected to increase 4% to 7%.
  - Domestic operating profit should grow in the low-single digit range*.
    - Includes impact from SMB initiatives.
- International will increase revenue 4-6%.
  - Expect to maintain our industry-leading margins*.
- Supply Chain and Freight planning for 4-6% revenue growth.
  - Operating profits projected to grow 5-7%*.

* Non-GAAP financial measure, and on a discount rate neutral basis.

2020 Outlook cont'd

- CapEx is planned to be around $6.7B.
- Adjusted free cash flow anticipated to be $4.3B to $4.7B*.
- Expect growth in dividends (subject to Board approval) and share repurchases of about $1B.

* Non-GAAP financial measure.

Questions
& Answers

Reconciliation of GAAP and Non-GAAP Financial Measures

Forward-Looking Statements

Except for historical information contained herein, the statements made in this release constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements, including statements regarding the intent, belief or current expectations of UPS and its management regarding the company's strategic direction, prospects and future results, involve certain risks and uncertainties.

Certain factors may cause actual results to differ materially from those contemplated by the forward-looking statements, including changes in economic and other conditions in the markets in which we operate, governmental regulations (including tax laws and regulations), our competitive environment, the facts or assumptions underlying our health and pension benefit funding obligations, the results of negotiation and ratification of labor contracts, the impact of any strikes, work stoppages or slowdowns, changes in aviation and motor fuel prices, cyclical and seasonal fluctuations in our operating results, and other risks discussed in the company's Form 10-K and other filings with the Securities and Exchange Commission, which discussions are incorporated herein by reference.

Reconciliation of GAAP and non-GAAP Financial Measures

We supplement the reporting of our financial information determined under generally accepted accounting principles ("GAAP") with certain non-GAAP financial measures, including, as applicable, "as adjusted" operating profit, operating margin, other income (expense), income (loss) before income taxes, income tax expense, net income and earnings per share. Additionally, we periodically disclose free cash flow, free cash flow excluding discretionary pension contributions, and capital expenditures including principal repayments of capital lease obligations. The equivalent measures determined in accordance with GAAP are also referred to as "reported" or "unadjusted."

We consider quantitative and qualitative factors in assessing whether to adjust for the impact of items that may be significant or that could affect an understanding of our ongoing financial and business performance or trends. Examples of items for which we may make adjustments include but are not limited to: amounts related to mark-to-market gains or losses (non-cash); recognition of contingencies; gains or losses associated with mergers, acquisitions, divestitures and other structural changes; charges related to restructuring programs such as the implementation of our Transformation strategy; asset impairments (non-cash); amounts related to changes in tax regulations or positions; amounts related to changes in foreign currency exchange rates and the impact of any hedging activities; other pension and postretirement related items; and debt modifications.

We believe that these non-GAAP measures provide additional meaningful information to assist users of our financial statements in 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. Management uses these non-GAAP financial measures in making financial, operating and planning decisions. We also use certain of these measures for the determination of incentive compensation awards.

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

Impact of Changes in Foreign Currency Exchange Rates and Hedging Activities

We supplement the reporting of our revenue, revenue per piece and operating profit with non-GAAP 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 our International Package and Supply Chain and Freight segments 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 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.

Costs Related to Legal Contingencies and Expenses

We supplement the presentation of our operating profit, operating margin, pre-tax income, net income and earnings per share with similar non-GAAP measures that exclude the impact of costs related to certain of our legal contingencies and expenses. We believe this adjusted information provides a useful comparison of year-to-year financial performance without considering the impact of these contingencies and expenses. We evaluate our performance on this adjusted basis.

Costs Related to Restructuring Programs; Transformation Strategy Costs

We supplement the presentation of our operating profit, operating margin, pre-tax income, net income and earnings per share with similar non-GAAP measures that exclude the impact of costs related to restructuring programs, including Transformation strategy costs. We believe this adjusted information provides a useful comparison of year-to-year financial performance without considering the short-term impact of restructuring costs. We evaluate our performance on this adjusted basis.

Impact of Changes in Pension Discount Rates

Effective January 1, 2020, we began evaluating our segment results and providing guidance using pension discount rate-neutral operating profit in addition to the GAAP segment operating profit measure. This measure excludes the period over period impact of discount rate changes on pension service cost. We believe pension discount rate-neutral operating profit guidance will allow users of our financial statements to better understand growth trends and expectations in our results by excluding the impact of changes in discount rates.

Pension discount rate-neutral operating profit is calculated by discounting the value of benefits attributable to employee service in a period utilizing the prior period's discount rate applicable to each of our company-sponsored defined benefit plans. The difference between this derived amount and the reported service cost is the period over period impact of pension discount rate movements on segment operating profit.

Mark-To-Market 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 for company-sponsored pension and post-retirement obligations immediately as part of net periodic benefit cost other than service cost. We supplement the presentation of our pre-tax income, net income and earnings per share with similar non-GAAP measures that exclude the impact of the portion of net periodic benefit cost other than service cost represented by the gains and losses recognized in excess of the 10% corridor and the related income tax effects. We believe excluding these mark-to-market impacts from our adjusted results provides important supplemental information to remove the volatility caused by short term changes in market interest rates, equity prices, and similar factors.

This adjusted net periodic benefit cost ($754 million in 2019 and $615 million in 2018) is comparable to the accounting for our defined benefit plans in our quarterly reporting under U.S. GAAP, utilizing the expected return on plan assets (7.68% in 2019 and 2018) and the discount rate used to determine net periodic benefit cost (4.45% in 2019 and 3.81% in 2018). The non-adjusted net periodic benefit cost reflects the actual return on plan assets (17.57% in 2019 and -2.38% in 2018) and the discount rate used to measure the projected benefit obligation at the December 31 measurement date (3.55% in 2019 and 4.45% in 2018).

The deferred income tax effects of these mark-to-market 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. The blended average of the applicable statutory tax rates in 2019 and 2018 was 23.9% and 24.0%, respectively.

Free Cash Flow and Adjusted Capital Expenditures

We supplement the reporting of cash flows from operating activities with free cash flow, free cash flow excluding discretionary pension contributions and free cash flow plus principal repayments of capital lease obligations, non-GAAP liquidity measures. We believe these free cash flow measures are important indicators of how much cash is generated by regular business operations and we use them as a measure of incremental cash available to invest in our business, meet our debt obligations and return cash to shareowners. Additionally, we believe that adjusting capital expenditures for principal repayments of capital lease obligations more appropriately reflects the overall cash that we have invested in capital assets. 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. Free cash flow excluding discretionary pension contributions adds back any discretionary pension contributions made during the period.

Reconciliations

Reconciliation of GAAP and Non-GAAP Income Statement Data
(in millions, except per share amounts):

Three Months Ended December 31, 2019

	As-Reported (GAAP)	Transformation Strategy Costs[1]	Defined Benefit Plans MTM Charges [2]	Legal Contingencies and Expenses	As-Adjusted (Non-GAAP)
Operating profit:					
U.S. Domestic Package	$ 1,074	$ 36	$ -	$ 97	$ 1,207
International Package	799	$ 10	$ -	$ -	$ 809
Supply Chain & Freight	260	$ 2	$ -	$ -	$ 262
Total operating profit	$ 2,133	$ 48	$ -	$ 97	$ 2,278
Income (loss) before income taxes	$ (198)	$ 48	$ 2,387	$ 97	$ 2,334
Income tax expense (benefit)	$ (92)	$ 9	$ 571	$ 6	$ 494
Net income (loss)	$ (106)	$ 39	$ 1,816	$ 91	$ 1,840
Diluted earnings per share	$ (0.12)	$ 0.04	$ 2.09	$ 0.10	$ 2.11

[1] Transformation strategy costs include other employee benefits costs of $17 million, and other costs of $31 million

[2] Pension expense due to a mark-to-market loss recognized outside of a 10% corridor

Twelve Months Ended December 31, 2019

	As-Reported (GAAP)	Transformation Strategy Costs [1]	Defined Benefit Plans MTM Charges [2]	Legal Contingencies and Expenses	As-Adjusted (Non-GAAP)
Operating profit:					
U.S. Domestic Package	$ 4,164	$ 108	$ -	$ 97	$ 4,369
International Package	2,657	$ 122	$ -	$ -	2,779
Supply Chain & Freight	977	$ 25	$ -	$ -	1,002
Total operating profit	$ 7,798	$ 255	$ -	$ 97	$ 8,150
Income before income taxes	$ 5,652	$ 255	$ 2,387	$ 97	$ 8,391
Income tax expense	$ 1,212	$ 59	$ 571	$ 6	$ 1,848
Net income	$ 4,440	$ 196	$ 1,816	$ 91	$ 6,543
Diluted earnings per share	$ 5.11	$ 0.23	$ 2.09	$ 0.10	$ 7.53

[1] Transformation strategy costs include other employee benefits costs of $166 million, and other costs of $89 million

[2] Pension expense due to a mark-to-market loss recognized outside of a 10% corridor

Reconciliations

Reconciliation of GAAP and Non-GAAP Revenue, Revenue Per Piece, and Adjusted Operating Profit
(in millions, except per piece amounts):

Three Months Ended December 31

	2019 As-Reported (GAAP)	2018 As-Reported (GAAP)	% Change (GAAP)	Currency Impact	2019 Currency Neutral (Non-GAAP)[1]	% Change (Non-GAAP)
Average Revenue Per Piece:						
International Package:						
Domestic	$ 6.49	$ 6.58	-1.4%	$ 0.05	$ 6.54	-0.6%
Export	28.56	28.82	-0.9%	0.04	28.60	-0.8%
Total International Package	$ 16.63	$ 16.79	-1.0%	$ 0.04	$ 16.67	-0.7%
Consolidated	$ 10.32	$ 10.59	-2.5%	$ 0.01	$ 10.33	-2.5%
Revenue:						
U.S. Domestic Package	$ 13,408	$ 12,575	6.6%	$ -	$ 13,408	6.6%
International Package	3,762	3,829	-1.7%	10	3,772	-1.5%
Supply Chain & Freight	3,398	3,444	-1.3%	5	3,403	-1.2%
Total revenue	$ 20,568	$ 19,848	3.6%	$ 15	$ 20,583	3.7%

[1] **Amounts adjusted for period over period foreign currency exchange rate and hedging differences**

	2019 As-Adjusted (Non-GAAP)[1]	2018 As-Adjusted (Non-GAAP)[1]	% Change (Non-GAAP)	Currency Impact	2019 As-Adjusted Currency Neutral (Non-GAAP)[2]	% Change (Non-GAAP)
Operating Profit:						
U.S. Domestic Package	$ 1,207	$ 999	20.8%	$ -	$ 1,207	20.8%
International Package	809	781	3.6%	(24)	785	0.5%
Supply Chain & Freight	262	224	17.0%	(1)	261	16.5%
Total operating profit	$ 2,278	$ 2,004	13.7%	$ (25)	$ 2,253	12.4%

[1] **Amounts adjusted for Transformation strategy costs, legal contingencies and legal expenses**
[2] **Amounts adjusted for Transformation strategy costs, legal contingencies, legal expenses and period over period foreign currency exchange rate and hedging differences**

Reconciliations

Reconciliation of Non-GAAP Liquidity Measures
(in millions):

Twelve Months Ended December 31

Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash

	Preliminary 2019
Cash flows from operating activities	$ 8,639
Cash flows used in investing activities	(6,061)
Cash flows used in financing activities	(1,727)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	20
Net increase/(decrease) in cash, cash equivalents and restricted cash	$ 871

Reconciliation of Adjusted Capital Expenditures and Free Cash Flow
(Non-GAAP measures)

	Preliminary 2019
Cash flows from operating activities (GAAP)	$ 8,639
Capital expenditures	(6,380)
Principal repayments of capital lease obligations	(140)
Adjusted capital expenditures (Non-GAAP measure)	$ (6,520)
Proceeds from disposals of PP&E	65
Net change in finance receivables	13
Other investing activities	(75)
Adjusted free cash flow (Non-GAAP measure)	$ 2,122
Discretionary pension contributions	2,000
Adjusted Free cash flow (Non-GAAP measure) excluding discretionary pension contributions	$ 4,122

Amounts are subject to reclassification.

Reconciliations

Reconciliation of GAAP and Non-GAAP As-Adjusted Operating Profit Guidance

Pension Discount Rate Neutral Operating Profit Growth Guidance
(unaudited)

	Twelve Months Ended December 31		
	2020E versus 2019 Change[1]	**2020E Pension Discount Rate Impact[2]**	**Pension Discount Rate Neutral 2020E versus 2019 Change[3]**
As-Adjusted Operating Profit Growth Guidance:			
U.S. Domestic Package	(5.6%) - (3.2%)	(5.7%)	0.1% - 2.5%
International Package	3.4% - 8.4%	(0.6%)	4% - 9%
Supply Chain & Freight	2.1% - 4.1%	(2.9%)	5% - 7%
Total operating profit	(1.6%) - 1.4%	(3.6%)	2% - 5%

[1] See page 1 of financial information on our investor relations website for adjustments for 2019. 2020 guidance is adjusted for expected Transformation strategy costs.

[2] Pension discount rate impact to 2020 Operating Profit is expected to be $294 million, allocated between the U.S. Domestic Package segment ($249 million), International Package segment ($16 million), and Supply Chain & Freight segment ($29 million).

[3] See page 1 of financial information on our investor relations website for adjustments for 2019. 2020 guidance is adjusted for expected Transformation strategy costs and the period over period impact of discount rates on pension service cost.