



4Q20 Earnings Call

February 2, 2021



Scott Childress
Investor Relations Officer



UPS Speakers

Carol B. Tomé

Chief Executive Officer

Brian Newman

Chief Financial Officer

Forward-Looking Statements and Non-GAAP Reconciliations



Forward-Looking Statements

This release and our other 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.

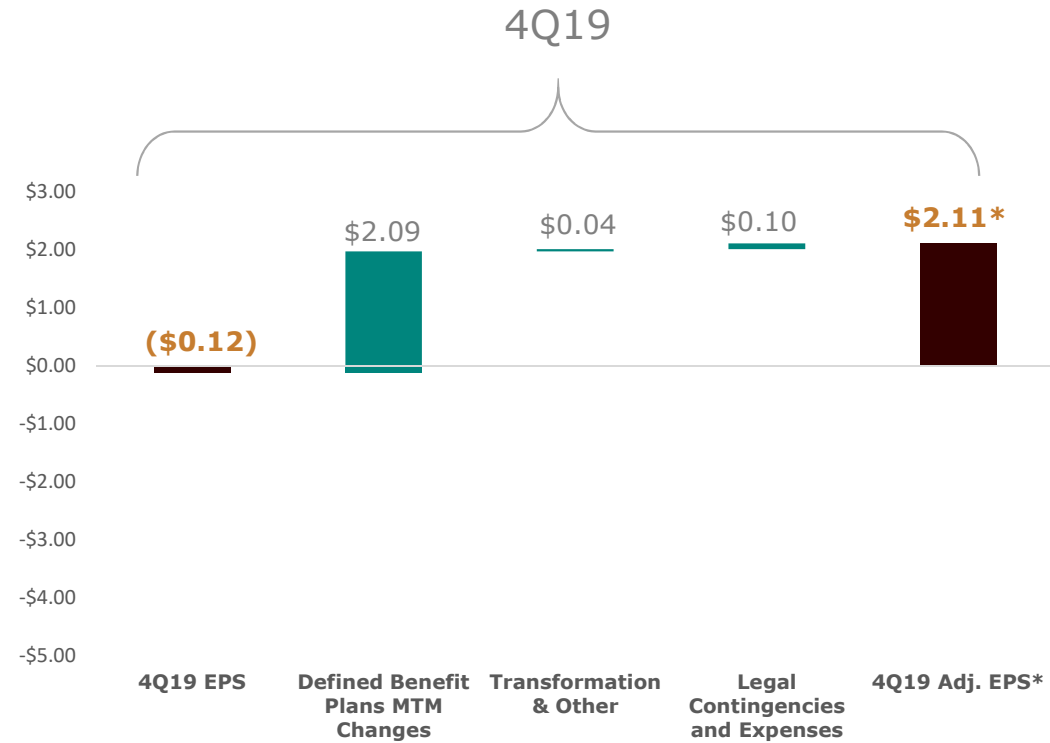
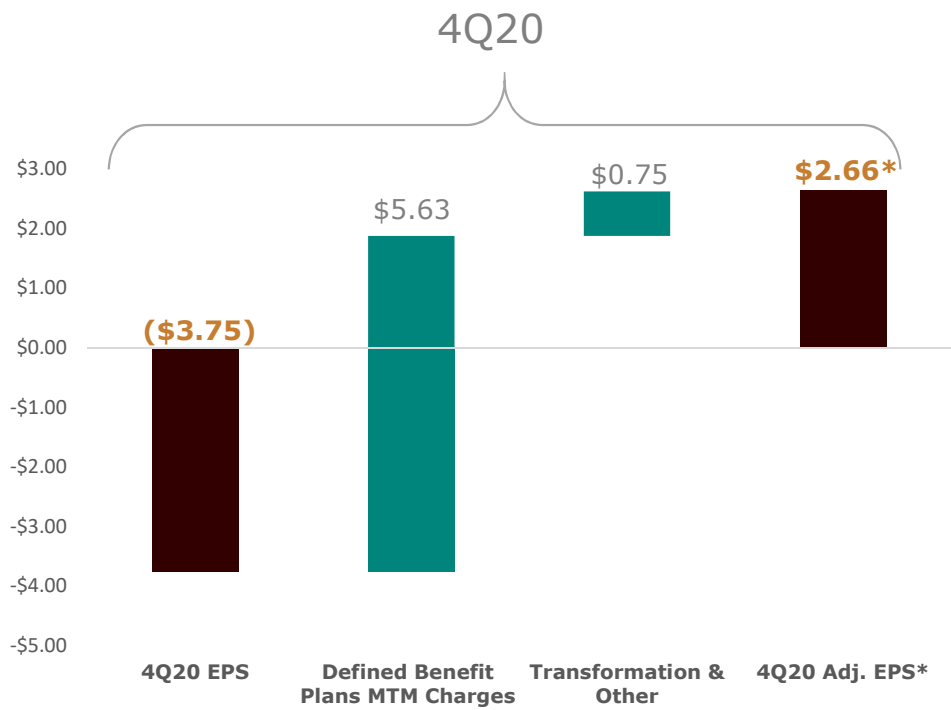
From time to time, we also include written or oral forward-looking statements in other publicly disclosed materials. Such statements may relate to our intent, belief and current expectations about our strategic direction, prospects and future results, and give our current expectations or forecasts of 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 forward-looking statements because such statements speak only as of the date when made.

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: continued uncertainties related to the impact of 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; significant competition on a local, regional, national and international basis; changes in our relationships with our significant customers; changes in the regulatory environment in the U.S. or internationally; increased or more complex physical or data security requirements; legal, regulatory or market responses to global climate change; results of negotiations and ratifications of labor contracts; strikes, work stoppages or 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 benchmark; our ability to maintain our brand image; our ability to attract and retain qualified employees; breaches in data security; disruptions to the Internet or our technology infrastructure; interruptions in or impacts on our business from natural or man-made events or disasters including terrorist attacks, epidemics or pandemics; 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 impairment of our assets; increases in our expenses or funding obligations relating to employee health, retiree

health and/or pension benefits; potential additional U.S. or international tax liabilities; potential claims or 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, dispositions, joint ventures or strategic alliances; our ability to realize the anticipated benefits from our transformation initiatives; cyclical and seasonal fluctuations in our operating results; our ability to manage insurance and claims expenses; 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, 2019, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 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.

Diluted EPS



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





Carol Tomé
Chief Executive Officer



Thank You
UPSers



MOVING OUR WORLD
FORWARD
BY DELIVERING
WHAT MATTERS



Consolidated Results

Q4

GAAP

<i>In \$ Millions (except per share)</i>	4Q20	4Q19	% Change
Total Revenue	\$24,896	\$20,568	21.0%
Operating Profit	\$2,167	\$2,133	1.6%
Operating Margin	8.7%	10.4%	-170 bps
Diluted EPS	(\$3.75)	(\$0.12)	

Adjusted

<i>In \$ Millions (except per share)</i>	4Q20	4Q19	% Change
Total Revenue	\$24,896	\$20,568	21.0%
Operating Profit*	\$2,870	\$2,278	26.0%
Operating Margin*	11.5%	11.1%	40 bps
Diluted EPS*	\$2.66	\$2.11	26.1%

Full Year

<i>In \$ Millions (except per share)</i>	2020	2019	% Change
Total Revenue	\$84,628	\$74,094	14.2%
Operating Profit	\$7,814	\$7,798	0.2%
Operating Margin	9.2%	10.5%	-130 bps
Diluted EPS	\$1.64	\$5.11	-67.9%

<i>In \$ Millions (except per share)</i>	2020	2019	% Change
Total Revenue	\$84,628	\$74,094	14.2%
Operating Profit*	\$8,718	\$8,150	7.0%
Operating Margin*	10.3%	11.0%	-70 bps
Diluted EPS*	\$8.23	\$7.53	9.3%



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

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U.S. Peak Season

- Close collaboration with customers and disciplined execution
- Industry-leading service
- Attracted SMB customers
 - SMB volume growth of 28.5% in Q4
- Above 99% service for COVID-19 vaccine deliveries

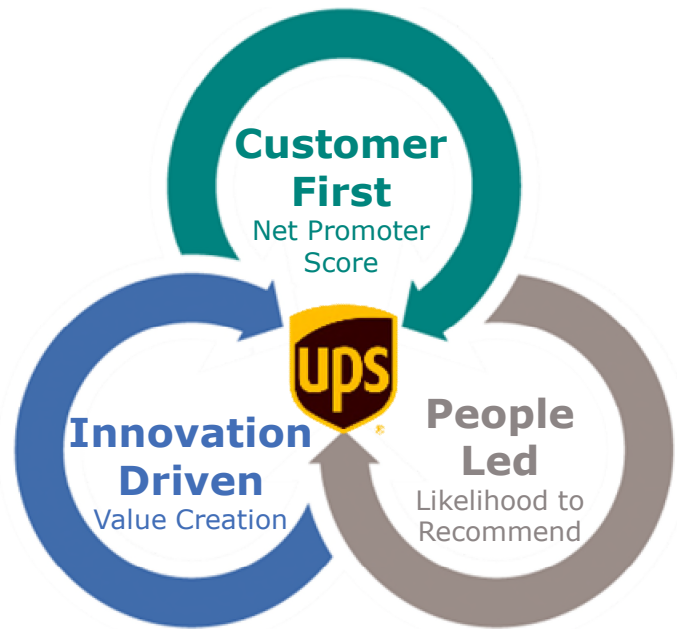


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Operationalizing Our Strategy

Through a Better Not Bigger Framework



- Speed: Accelerated completion of Weekend and Our Fastest Ground Ever
- Ease: Expanded Digital Access Program; revenue up more than 360%

- Increased "Likelihood to Recommend" score (+13%)
- Creating fewer, but more impactful jobs

- Launched revenue-quality initiatives; Q4 U.S. Domestic RPP up 7.8%
- SMBs accounted for 64% of U.S. ADV growth in Q4
- Tightened linkage between investments and returns



Everything is Under Review

Better Not Bigger

- We entered an agreement to sell UPS Freight
 - Divestiture is expected to improve overall company margin and return on invested capital
 - Proceeds will be used to pay down long-term debt



Looking Ahead to 2021

- We are optimistic about the future
- Revenue-quality and productivity initiatives should result in:
 - Operating margin expansion
 - Increased ROIC
- We are not providing revenue or EPS guidance due to continuing uncertainty on vaccine rollout and macro-environment





Brian Newman
Chief Financial Officer

Dynamic Macro Environment

Shift in Buying Patterns Offset Weak Macro Conditions

4Q20 Global GDP expected to finish at **-1.7%**



U.S. non-store retail sales at **20.9%** of total retail sales in 4Q20



U.S. industrial production **-4.7%** in 4Q20



Shift in buying patterns generated elevated demand for residential deliveries



Consolidated Revenue and Operating Profit Grew

GAAP

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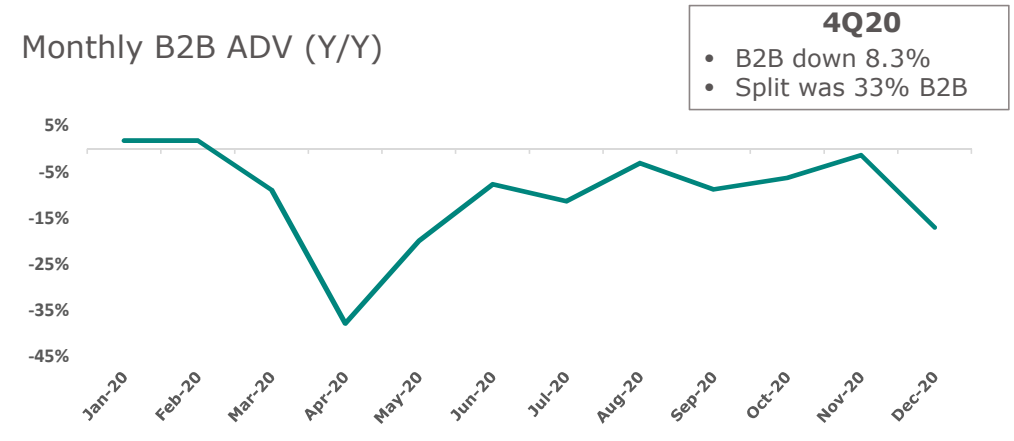
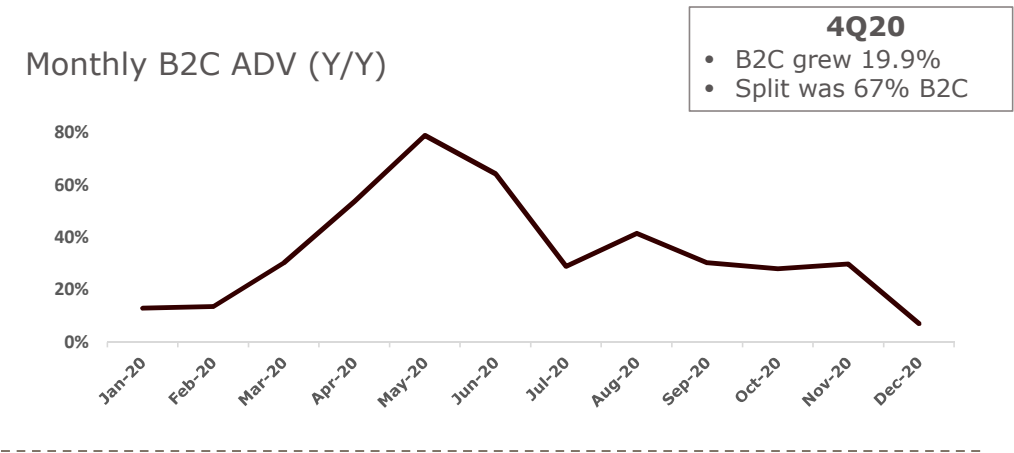
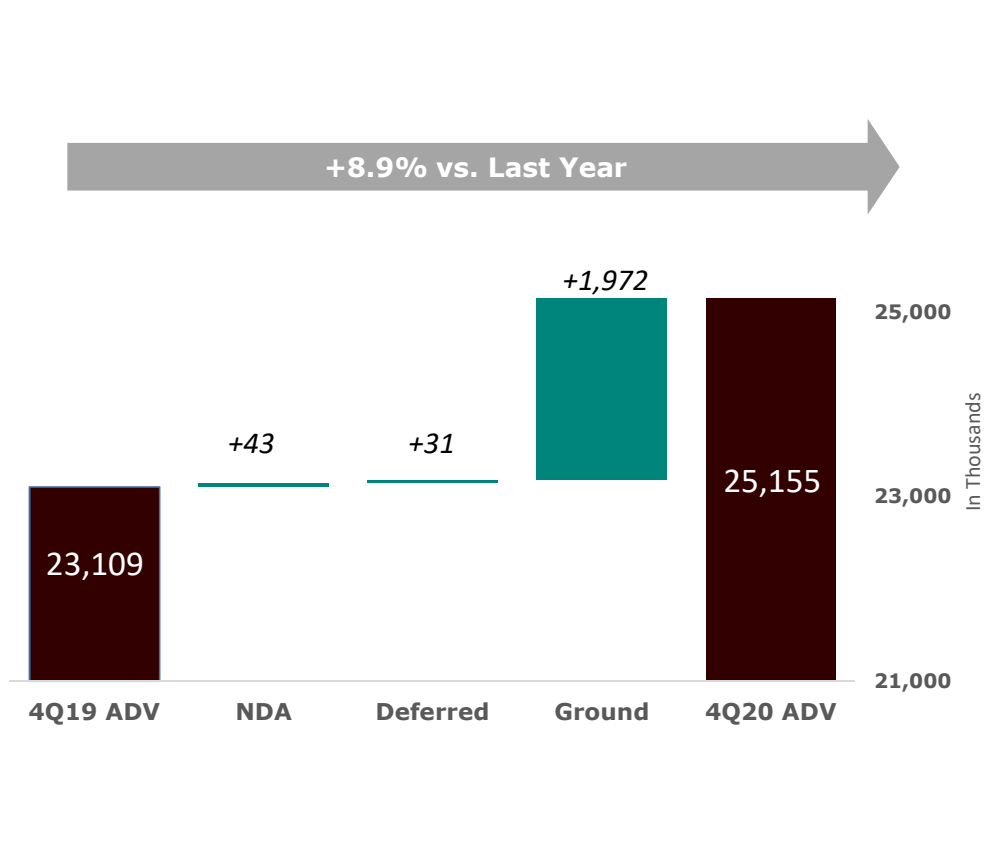
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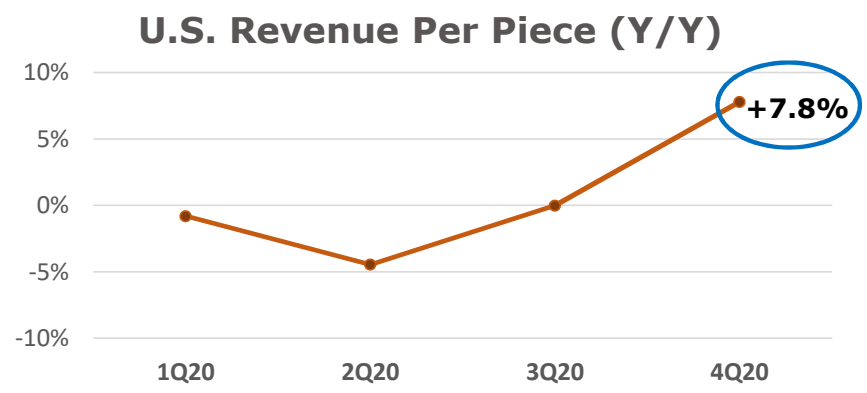
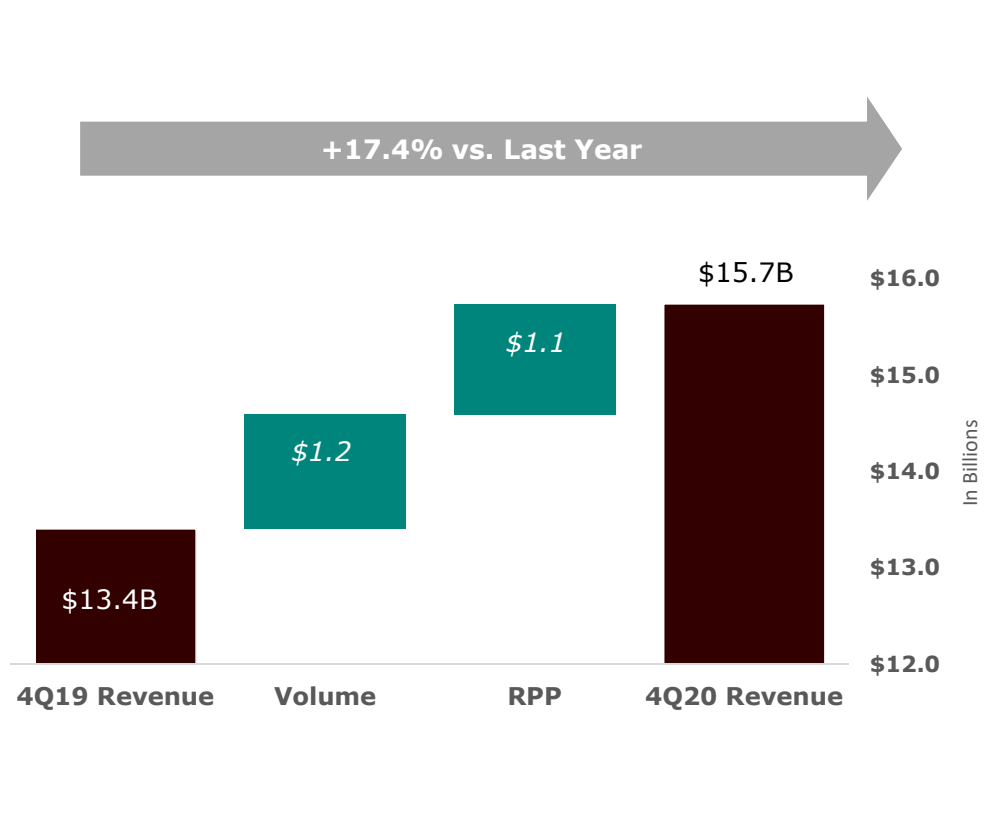
Success Driven by Revenue-Quality Efforts and Disciplined Execution

Customer Mix Improved, with SMB Volume Up 28.5%



Revenue Increased 17.4%, Driven By Ground Residential

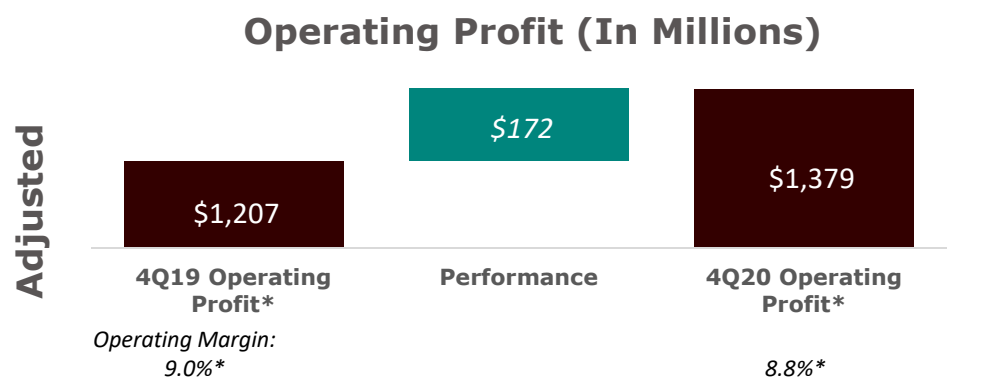
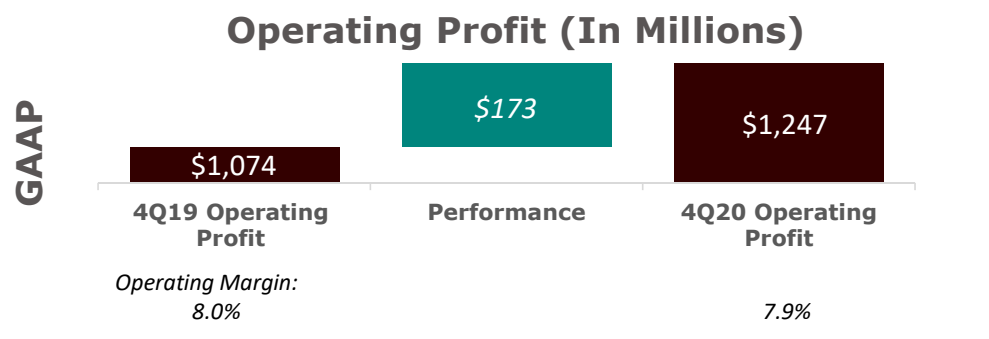
Revenue Per Piece increased 7.8%, Driven By Customer Mix and Surcharge Revenue



- Revenue quality above expectations
- SMB growth accelerated
- Revenue per piece growth driven by Ground increase of 11.2%



U.S. Domestic Generated Record Adjusted* Operating Profit in Q4



- Adjusted* cost per piece increased 8.2% driven by:
 - \$150M of credits in 2019 that did not repeat
 - \$185M increase from lower delivery density
 - \$100M of benefit expense from Q2 hires
 - \$129M decision made to accelerate vesting of certain stock awards
- Avoided “chaos costs” during peak

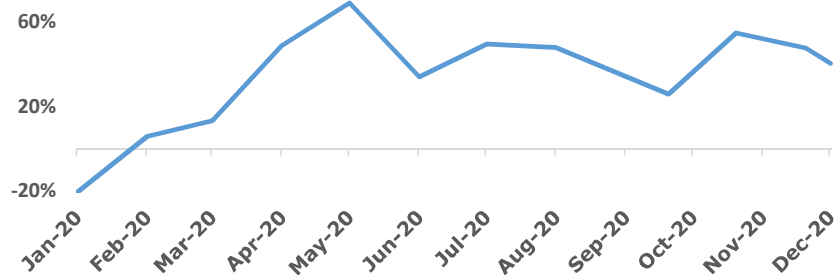
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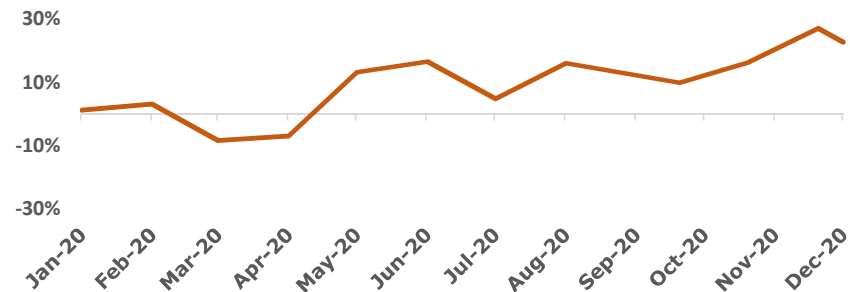
Exceeded Volume Expectations, Average Daily Volume Up 21.9%

B2C ADV Increased 104.1%; While B2B ADV Grew 2.0%

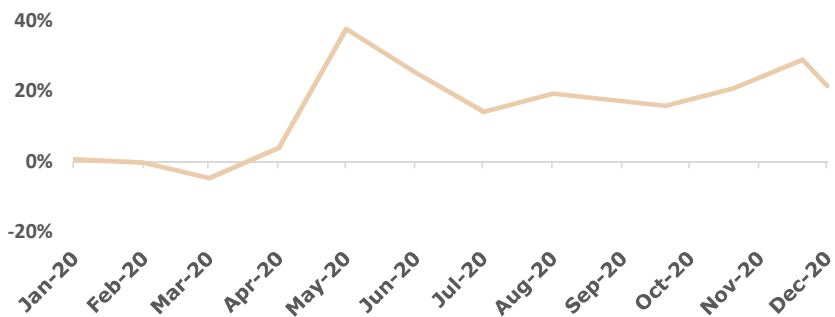
Asia Monthly ADV (Y/Y)



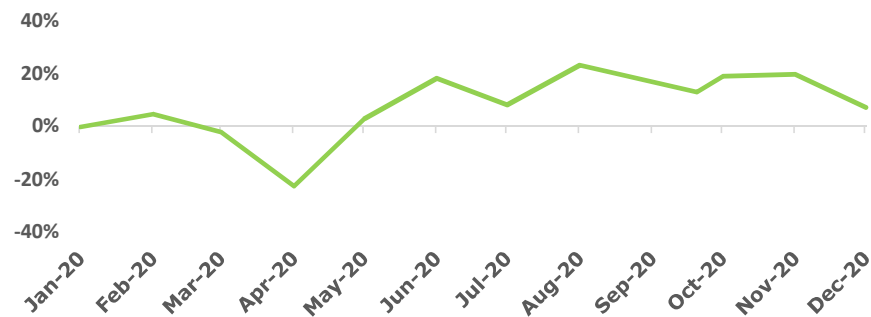
Europe Monthly ADV (Y/Y)



Americas Monthly ADV (Y/Y)

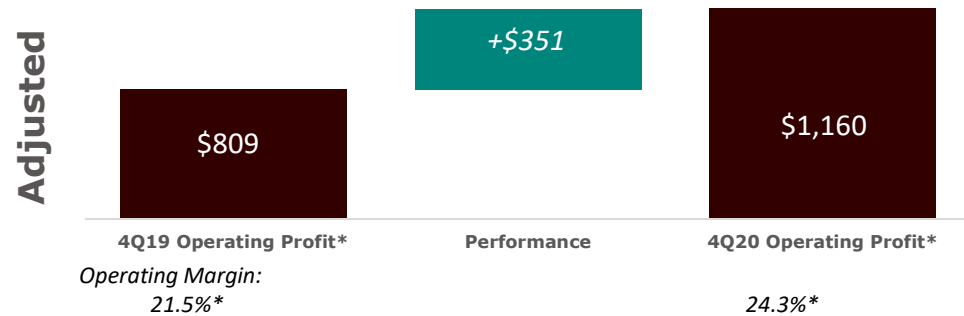
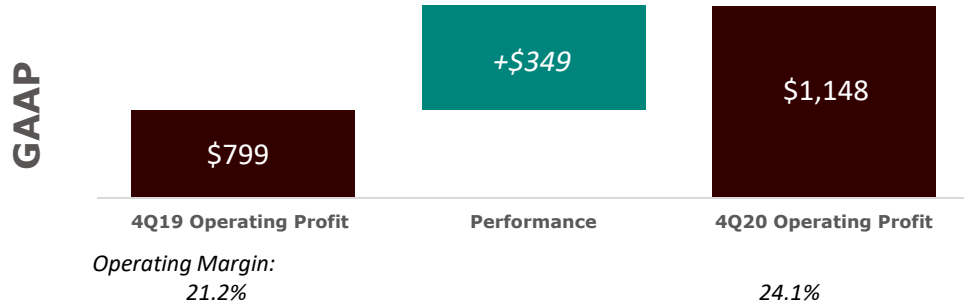


U.S. Export Monthly ADV (Y/Y)



International Generated Record Operating Profit and Margin

Operating Profit (In Millions)



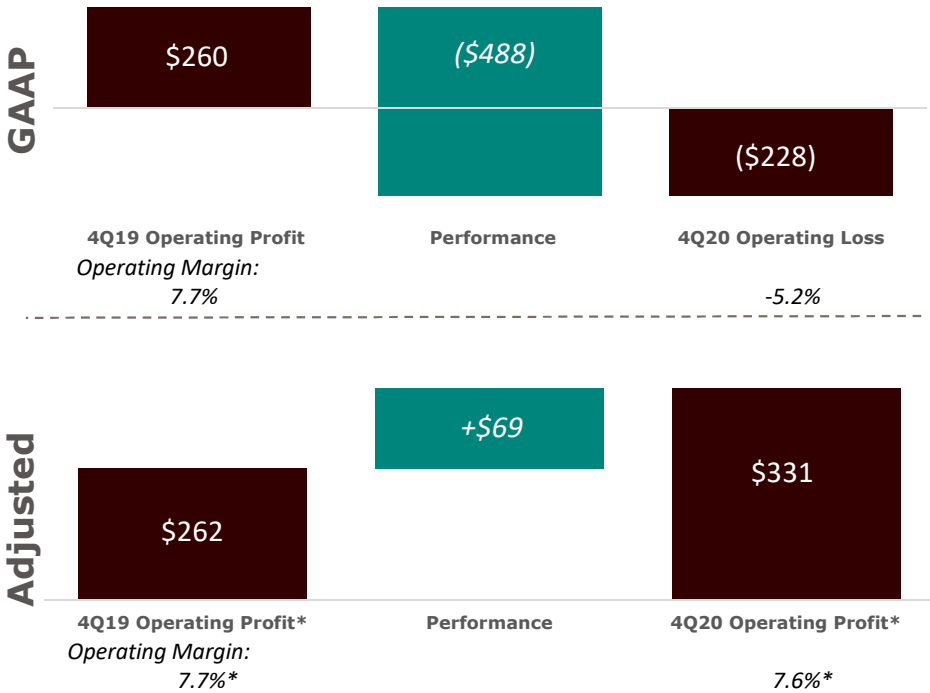
* Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.

- Revenue was up 26.8% to \$4.8 billion
 - Added 365 flights above normal schedules to service high demand
 - Asia export volume up 45.0%; Europe exports up 30.7%
- Adjusted* operating profit up 43.4% to \$1.2 billion
- Adjusted* operating margin expanded to 24.3%



Strong Market Demand Drove Revenue Growth

Operating Profit (In Millions)



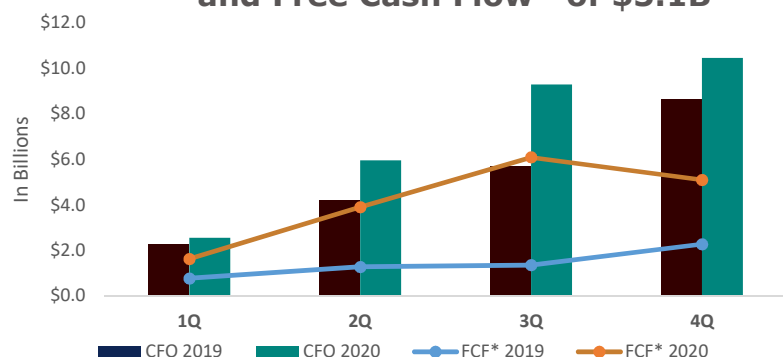
- Forwarding supported high demand out of Asia
- Healthcare had its best quarterly top- and bottom-line growth ever
- Adjusted* operating profit increased 26.3% to \$331M
- Entered into agreement to sell UPS Freight in 2021

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



UPS Cash Flow Remains Strong

Cumulative Cash from Operations of \$10.5B and Free Cash Flow* of \$5.1B



*Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure. Note: Results include \$1.1B benefit from CARES Act payroll tax deferral (2019-nil) and total pension contribution of \$3.1B (2019 of \$2.3B).

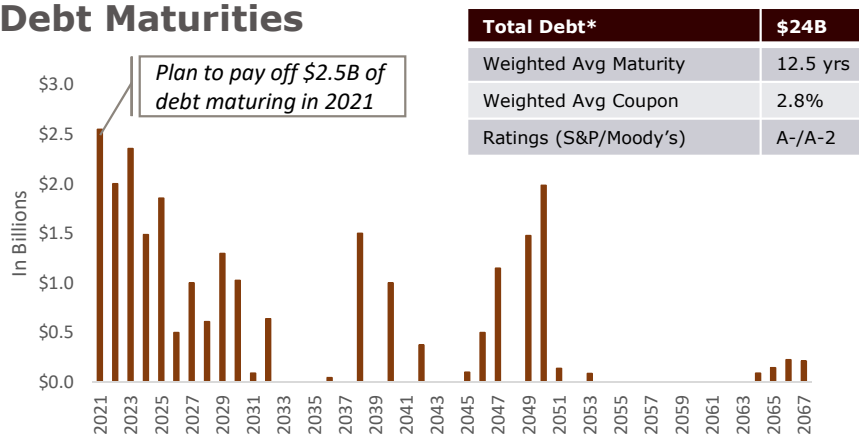
Capital Expenditures*

(In Billions)	1Q - 3Q	4Q20	2020
Buildings & Facilities	\$1.7	\$0.9	\$2.6
Aircraft & Parts	\$0.7	\$0.5	\$1.2
Vehicles	\$0.4	\$0.6	\$1.0
IT	\$0.6	\$0.2	\$0.8
Total CapEx	\$3.4	\$2.2	\$5.6

Dep & Amortization	\$2.0	\$0.7	\$2.7
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* Non-GAAP financial measure. See Appendix for reconciliation to GAAP financial measure.

Debt Maturities



Total Debt*	\$24B
Weighted Avg Maturity	12.5 yrs
Weighted Avg Coupon	2.8%
Ratings (S&P/Moody's)	A-/A-2

* Includes ESOP, Commercial Paper, excludes finance lease obligations of \$341M at 12/31/20.

Liquidity

\$5.9B
Cash and Cash
Equivalents
as of
Dec 31, 2020

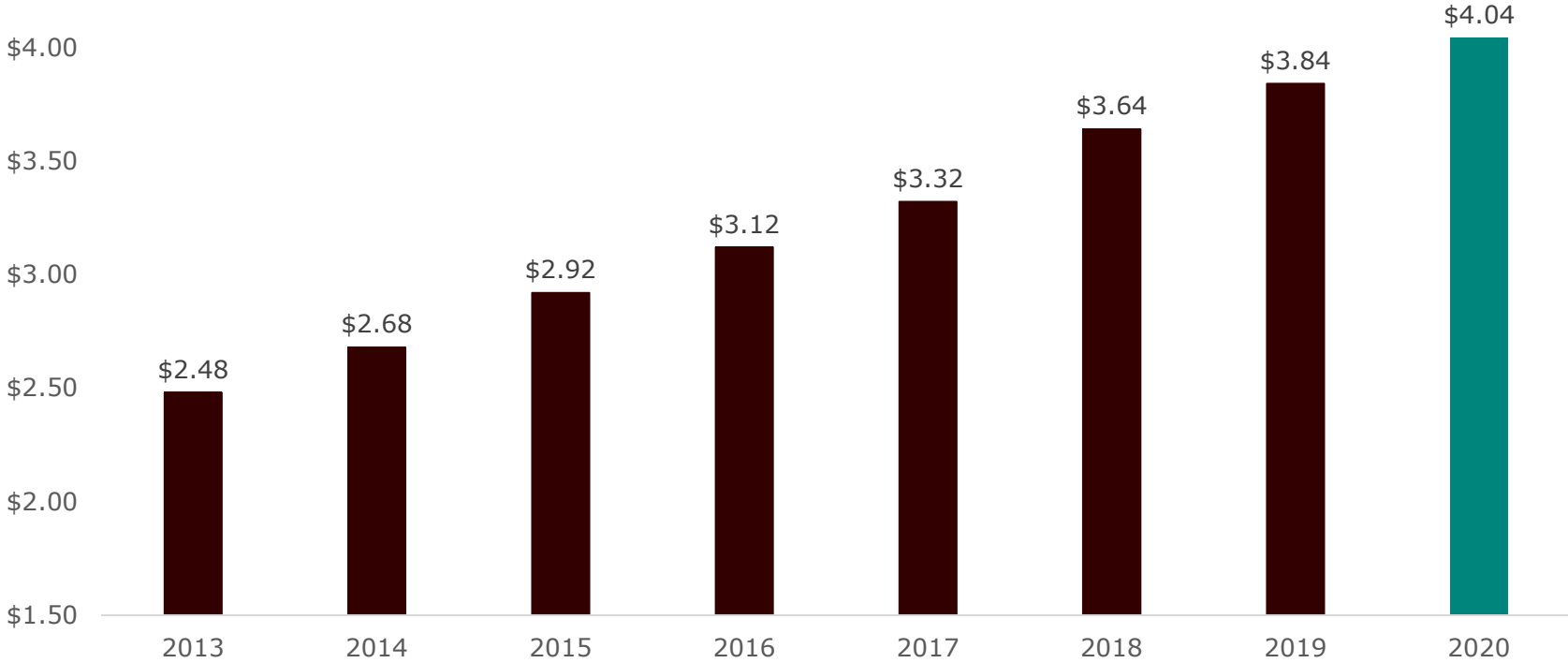
\$2.0B
Syndicated
Credit Facility
expires Dec
2021
(undrawn)

\$2.5B
Syndicated
Credit Facility
expires Dec
2023
(undrawn)

Paid off \$3.2B of commercial paper in 2020



The UPS Dividend Is a Hallmark Of Our Financial Strength



Outlook for 2021

- We are not providing revenue or diluted earnings per share guidance at this time
- Some things to consider:
 - Transformation 2.0 expected to reduce non-operating costs by more than \$500M in 2021
 - We expect the sale of UPS Freight to close in 2Q21
 - We will face more difficult comps in 2Q21 than in 1Q21
 - We expect small package revenue to grow faster than average daily volume in 2021
 - We expect operating margin and ROIC to expand



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2021 Capital Allocation

- Expect CAPEX to be about \$4B
- Dividends expected to grow, subject to Board approval
- Expect to pay off \$2.5B of funded debt
- No plans to repurchase shares or access the debt capital markets in 2021
- Effective tax rate is expected to be ~23.5%



UPS Investor Day

**Wednesday, June 9
Investor Day**





Questions & Answers



Reconciliation of GAAP and Non-GAAP Financial Measures

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 "adjusted" compensation and benefits, operating expenses, 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 also supplement the reporting of revenue, revenue per piece and operating profit with non-GAAP measures that exclude the period over period impact of foreign currency exchange rate changes, pension discount rate changes and hedging activities. Additionally, we periodically disclose free cash flow, free cash flow excluding discretionary pension contributions, and capital expenditures including principal repayments of finance lease obligations. The equivalent measures determined in accordance with GAAP are also referred to as "reported" or "unadjusted."

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. 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.

Restructuring and Other Charges

Adjusted operating profit, operating margin, income before income taxes, net income and earnings per share exclude the impact of charges related to restructuring programs, including Transformation strategy costs and asset impairments.

Impact of Changes in Foreign Currency Exchange Rates and Hedging Activities

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.

Impact of Changes in Pension Discount Rates

Non-GAAP pension discount rate-neutral operating profit excludes the period over period impact of discount rate changes on pension service cost.

Pension discount rate-neutral operating profit is calculated by discounting the value of benefits attributable to employee service in the current period utilizing the prior year discount rate applicable to each of our company-sponsored defined benefit plans. The difference between this derived amount and the current period reported service cost is the period over period impact of pension discount rate movements on 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 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 non-GAAP measures that exclude the impact of gains and losses recognized in excess of the 10% corridor and the related income tax effects. We believe excluding these mark-to-market impacts provides important supplemental information by removing the volatility associated with short-term changes in market interest rates, equity values, and similar factors.

This adjusted net periodic benefit cost (\$641 million in 2020 and \$754 million in 2019) 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 (7.70% in 2020 and 7.68% in 2019) and the discount rate used to determine net periodic benefit cost (3.55% in 2020 and 4.45% in 2019). The unadjusted net periodic benefit cost reflects the actual return on plan assets (12.54% in 2020 and 17.57% in 2019) and the discount rate used to measure the projected benefit obligation at the December 31 measurement date (2.87% in 2020 and 3.55% in 2019).

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 2020 and 2019 was 24.0% and 23.9%, respectively.

Free Cash Flow and Adjusted Capital Expenditures

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. We believe free cash flow, free cash flow excluding discretionary pension contributions and free cash flow adjusted for principal repayments of finance lease obligations 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 shareholders. Additionally, we believe that adjusting capital expenditures for principal repayments of finance lease obligations more appropriately reflects the overall cash that we have invested in capital assets.

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.



Reconciliations

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

Three Months Ended December 31, 2020				
	As-Reported (GAAP)	Transformation & Other ⁽¹⁾	Defined Benefit Plans MTM Charges ⁽²⁾	As-Adjusted (Non-GAAP)
Operating profit:				
U.S. Domestic Package	\$ 1,247	\$ 132	\$ -	\$ 1,379
International Package	1,148	12	-	1,160
Supply Chain & Freight	(228)	559	-	331
Total operating profit	\$ 2,167	\$ 703	\$ -	\$ 2,870
Other income (expense)	(6,325)	-	6,484	159
Income (loss) before income taxes	(4,158)	703	6,484	3,029
Income tax expense (benefit)	(895)	44	1,555	704
Net income (loss)	\$ (3,263)	\$ 659	\$ 4,929	\$ 2,325
Diluted earnings (loss) per share	\$ (3.75)	\$ 0.75	\$ 5.63	\$ 2.66

⁽¹⁾ Transformation & other of \$703 million reflects goodwill and other asset impairment charges of \$556 million related to the planned divestiture of UPS Freight, other employee benefits costs of \$100 million and other costs of \$47 million

⁽²⁾ Represents mark-to-market losses recognized outside of a 10% corridor on company-sponsored pension and postretirement plans

⁽³⁾ Does not total due to difference in weighted-average shares outstanding used to calculate diluted earnings per share

Twelve Months Ended December 31, 2020				
	As-Reported (GAAP)	Transformation & Other ⁽¹⁾	Defined Benefit Plans MTM Charges ⁽²⁾	As-Adjusted (Non-GAAP)
Operating profit:				
U.S. Domestic Package	\$ 3,891	\$ 237	\$ -	\$ 4,128
International Package	3,436	96	-	3,532
Supply Chain & Freight	487	571	-	1,058
Total operating profit	\$ 7,814	\$ 904	\$ -	\$ 8,718
Other income (expense)	(5,840)	-	6,484	644
Income before income taxes	1,974	904	6,484	9,362
Income tax expense	547	94	1,555	2,196
Net income	\$ 1,427	\$ 810	\$ 4,929	\$ 7,166
Diluted earnings per share	\$ 1.64	\$ 0.93	\$ 5.66	\$ 8.23

⁽¹⁾ Transformation & other of \$904 million reflects goodwill and other asset impairment charges of \$556 million related to the planned divestiture of UPS Freight, other employee benefits costs of \$211 million and other costs of \$137 million

⁽²⁾ Represents mark-to-market losses recognized outside of a 10% corridor on company-sponsored pension and postretirement plans

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,						
	2020 As-Reported (GAAP)	2019 As-Reported (GAAP)	% Change (GAAP)	Currency Impact	2020 Currency- Neutral (Non-GAAP) ⁽¹⁾	% Change (Non-GAAP)
Average Revenue Per Piece:						
International Package:						
Domestic	\$ 7.08	\$ 6.49	9.1%	\$ (0.29)	\$ 6.79	4.6%
Export	28.24	28.56	-1.1%	(0.71)	27.53	-3.6%
Total International Package	<u>\$ 17.27</u>	<u>\$ 16.63</u>	3.8%	<u>\$ (0.49)</u>	<u>\$ 16.78</u>	0.9%
Consolidated	<u>\$ 11.14</u>	<u>\$ 10.32</u>	7.9%	<u>\$ (0.07)</u>	<u>\$ 11.07</u>	7.3%
Revenue:						
U.S. Domestic Package	\$ 15,744	\$ 13,408	17.4%	\$ -	\$ 15,744	17.4%
International Package	4,770	3,762	26.8%	(132)	4,638	23.3%
Supply Chain & Freight	4,382	3,398	29.0%	(16)	4,366	28.5%
Total revenue	<u>\$ 24,896</u>	<u>\$ 20,568</u>	21.0%	<u>\$ (148)</u>	<u>\$ 24,748</u>	20.3%

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

	2020 As-Adjusted (Non-GAAP) ⁽¹⁾	2019 As-Adjusted (Non-GAAP) ⁽¹⁾	% Change (Non-GAAP)	Currency Impact	2020 As-Adjusted Currency- Neutral (Non-GAAP) ⁽²⁾	% Change (Non-GAAP)
As-Adjusted Operating Profit:						
U.S. Domestic Package	\$ 1,379	\$ 1,207	14.3%	\$ -	\$ 1,379	14.3%
International Package	1,160	809	43.4%	(33)	1,127	39.3%
Supply Chain & Freight	331	262	26.3%	6	337	28.6%
Total operating profit	<u>\$ 2,870</u>	<u>\$ 2,278</u>	26.0%	<u>\$ (27)</u>	<u>\$ 2,843</u>	24.8%

⁽¹⁾ Amounts adjusted for transformation & other

⁽²⁾ Amounts adjusted for transformation & other and period over period foreign currency exchange rate and hedging differences



Reconciliations

Reconciliation of Free Cash Flow (Non-GAAP), Adjusted Free Cash Flow (Non-GAAP) and Adjusted Capital Expenditures (Non-GAAP) (in millions):

Twelve Months Ended December 31,	
	2020
Cash flows from operating activities (GAAP)	\$ 10,459
Capital expenditures	(5,412)
Proceeds from disposals of PP&E	40
Net change in finance receivables	44
Other investing activities	(41)
Free cash flow (Non-GAAP)	<u>\$ 5,090</u>
Principal repayments of finance lease obligations	(192)
Adjusted Free cash flow (Non-GAAP)	<u>\$ 4,898</u>
Discretionary pension contributions	2,770
Adjusted Free cash flow excluding discretionary pension contributions (Non-GAAP)	<u>\$ 7,668</u>
Capital expenditures	\$ 5,412
Principal repayments of finance lease obligations	192
Adjusted Capital expenditures (Non-GAAP)	<u>\$ 5,604</u>

