



Raymond James

47th Annual Institutional Investors Conference

March 4, 2026

Forward-Looking Statement Safe Harbor

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 or government shutdowns; 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. 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.

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.

UPS at a glance

Employees

~460K

Countries & territories

+200

Packages per day

20.8M

Total revenue for 2025

\$88.7B



Building off 2025 Progress



Amazon Glide Down



Network Reconfiguration



USPS Outsource (Ground Saver)

Back to Growth and Margin Expansion in 2H

2026 FY GUIDE

- Revenue +1% to LY
- Non-GAAP adj. operating margin* ~9.6%
- EPS ~flat to LY

2026 1H GUIDE

- Revenue flat to LY
- Non-GAAP adj. operating margin* ~7.5%

2026 2H GUIDE

- Revenue up LSD to LY
- Non-GAAP adj. operating margin* ~11.5%

Taking action to strengthen revenue quality and deliver differentiated logistics capabilities

Path to Growth and Margin Expansion

Q1 Guide

US Domestic:

- Revenue down LSD to MSD to LY
- Non-GAAP adj. operating margin* ~4% - 5%

International:

- Revenue flat to LY
- Non-GAAP adj. operating margin* ~10% - 11%

SCS:

- Revenue down LSD to LY
- Non-GAAP adj. operating margin* ~7% - 8%



- Continue Amazon ADV reduction
- Grow SMB and Enterprise ADV
- Transition Ground Saver to USPS
- Remove semi-variable and fixed costs
- Ongoing 767 deliveries
- Trade lane shifts w/ customers
- Manage tariff / de-minimis impacts



Q2 Guide

US Domestic:

- Revenue up LSD to LY
- Non-GAAP adj. operating margin* ~7.5% - 8.5%

International:

- Revenue up LSD to LY
- Non-GAAP adj. operating margin* ~13% - 14%

SCS:

- Revenue up MSD-HSD to LY
- Non-GAAP adj. operating margin* ~9.5% - 10.5%

Managing impacts as we transition to a more efficient U.S. network and adapt to trade-lane shifts

Targeting \$3B of Savings in 2026



Reduce operational hours by ~25 million



Reduce operational positions by ~30,000, including through the Driver Choice Program



Close 24 buildings in 1H26; evaluating additional buildings to close in 2H26

Using the 2025 playbook to effectively right-size the U.S. network

2026 Guide

Strong Financial Position with Flexibility

\$6.5B*

Free Cash Flow*

~2.5x*

Adj. Debt-to-Adj.
EBITDA*

A / A2

Credit Rating

\$6.5B

Liquidity (Cash)

\$5.4B

Dividend
Payouts**

Strong cash flow and liquidity supports growth investment while protecting the dividend

*Non-GAAP adjusted financial measure. Reconciliation to most closely correlated GAAP financial measure is available on the UPS Investor Relations website.

**Subject to board approval