3Q24
Earnings Call

October 24, 2024

PJ GUIDO

Investor Relations Officer

UPS Speakers

CAROL B. TOMÉ
Chief Executive Officer

BRIAN DYKES
Chief Financial 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” 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.

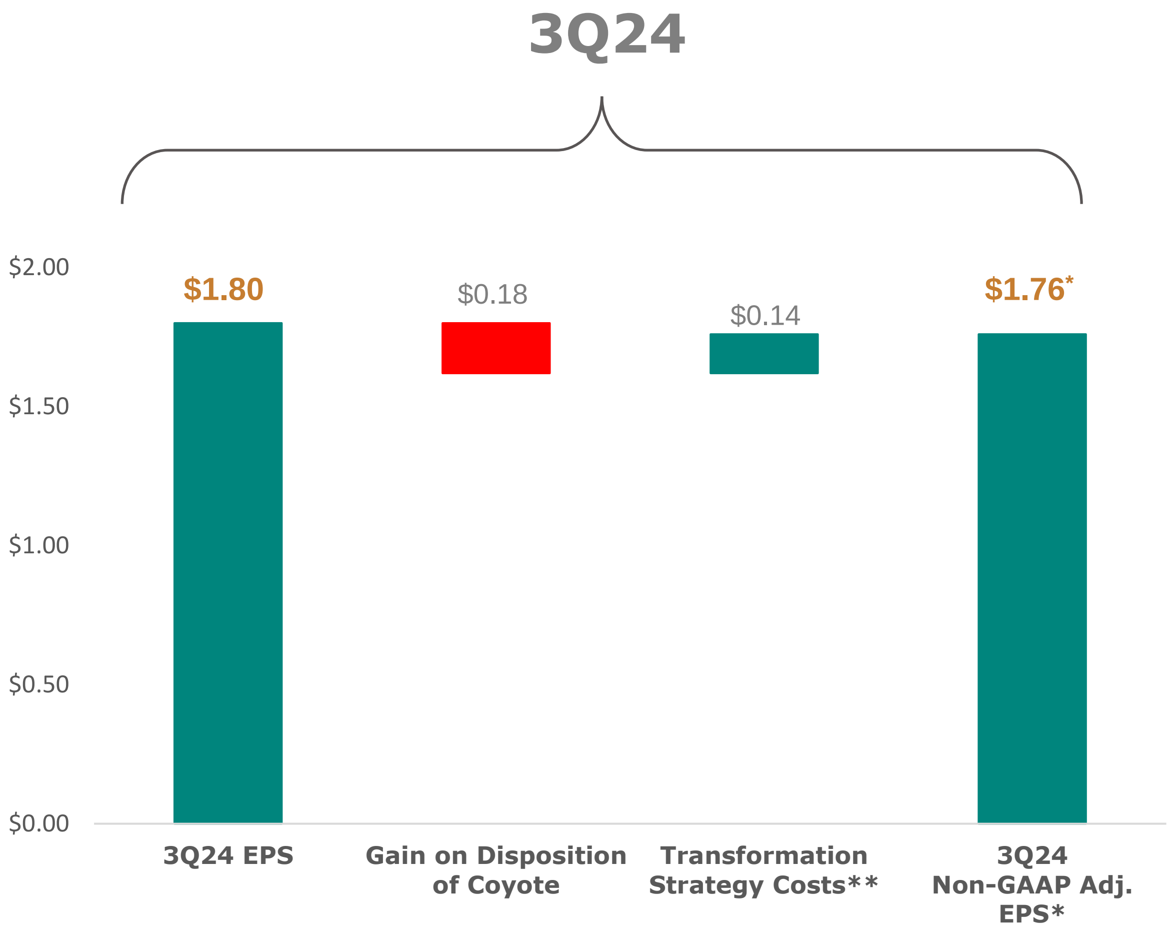
From time to time, we also include written or oral forward-looking statements in other publicly disclosed materials. Such statements may relate to our intent, belief, forecasts of, or current expectations about our strategic direction, prospects, future results, or future events; they do not relate strictly 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.

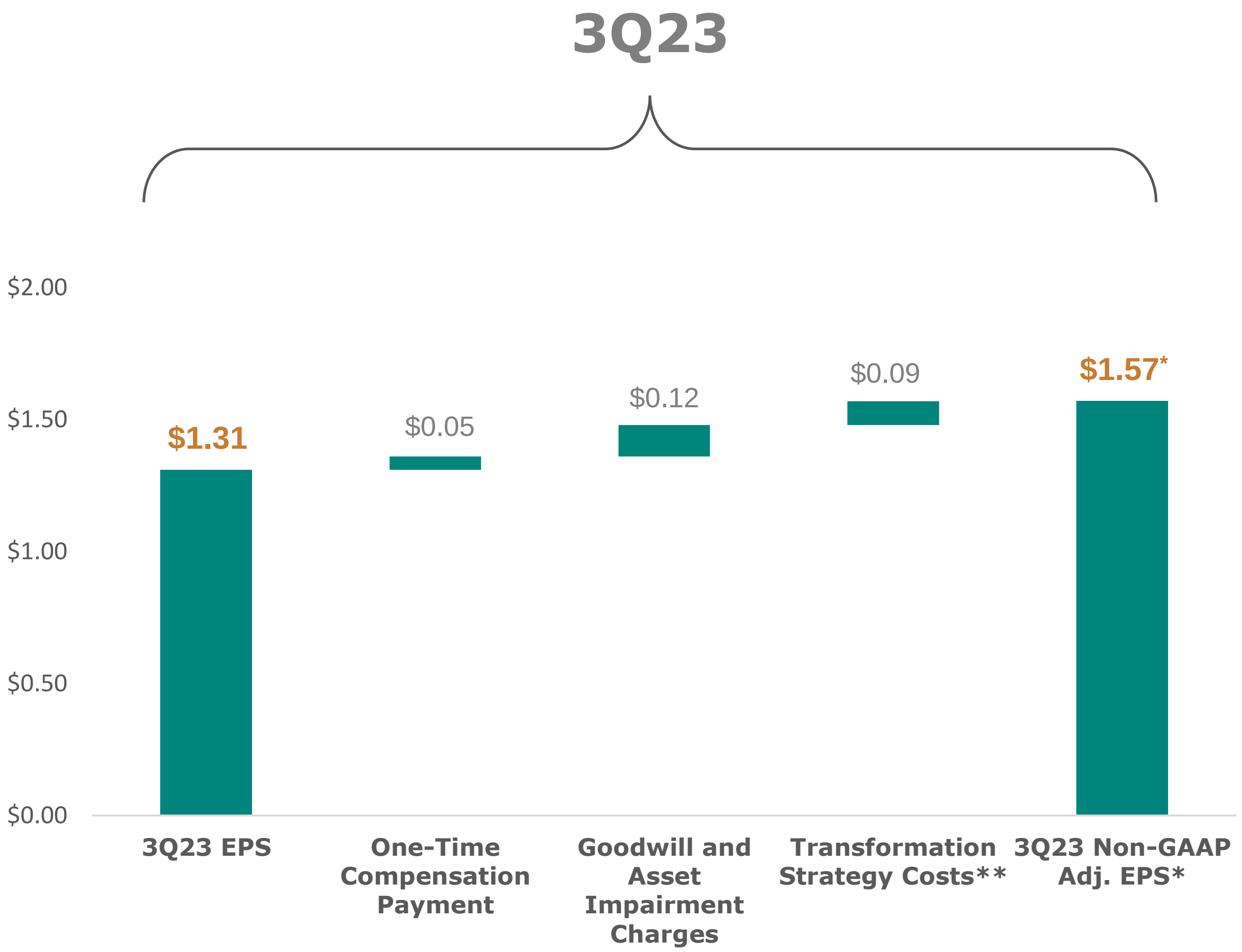
Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or anticipated results. These risks and uncertainties include, but are not limited to: changes in general economic 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; 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, 2023, 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 adjusted financial measures.

From time to time, the Company expects to participate in analyst and investor conferences. Materials provided or displayed at those conferences, such as slides and presentations, may be posted on our investor relations website at www.investors.ups.com under the heading “Presentations,” when made available. These presentations may contain new material nonpublic information about the Company and you are encouraged to monitor this site for any new posts, as we may use this mechanism as a public announcement.

Diluted EPS





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

CAROL B. TOMÉ

Chief Executive Officer

Thank You, UPSers







3Q24 Consolidated Results

In $ Millions **(except per share)**	**3Q24**	**3Q23**	**Change Y/Y**
Revenue	$22,245	$21,061	5.6%
Non-GAAP Adj. Operating Profit*	$1,983	$1,615	22.8%
Non-GAAP Adj. Operating Margin*	8.9%	7.7%	120 bps
Non-GAAP Adj. Diluted EPS*	$1.76	$1.57	12.1%

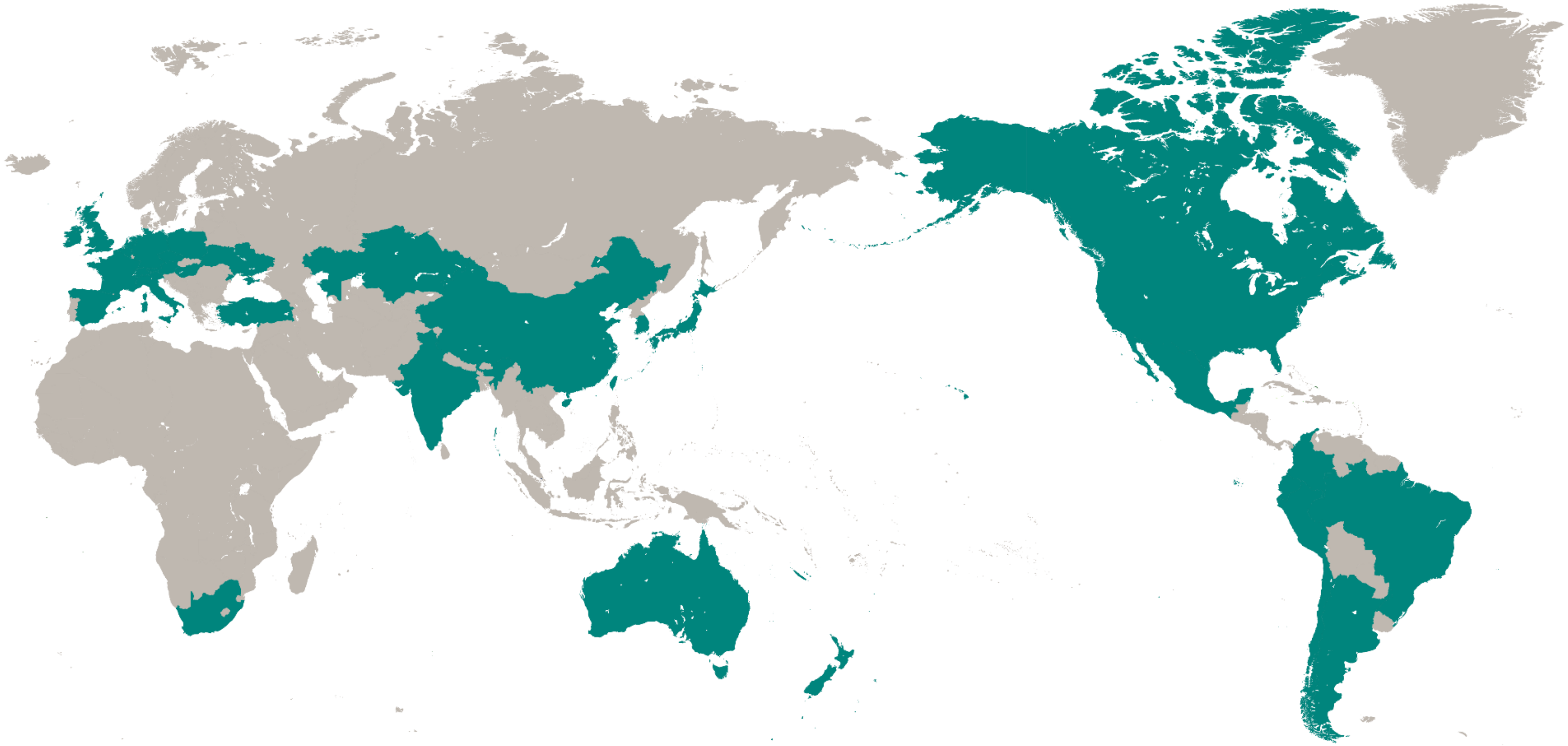
"On our last earnings call, we said that the second quarter would not only be the bottom, but a turning point for our performance, and that we would return to revenue and profit growth in the third quarter, which we did."

Carol B. Tomé, CEO

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

We Will Become the #1 Healthcare Logistics Provider in the World

Building a global network of dedicated healthcare facilities to serve the needs of complex healthcare

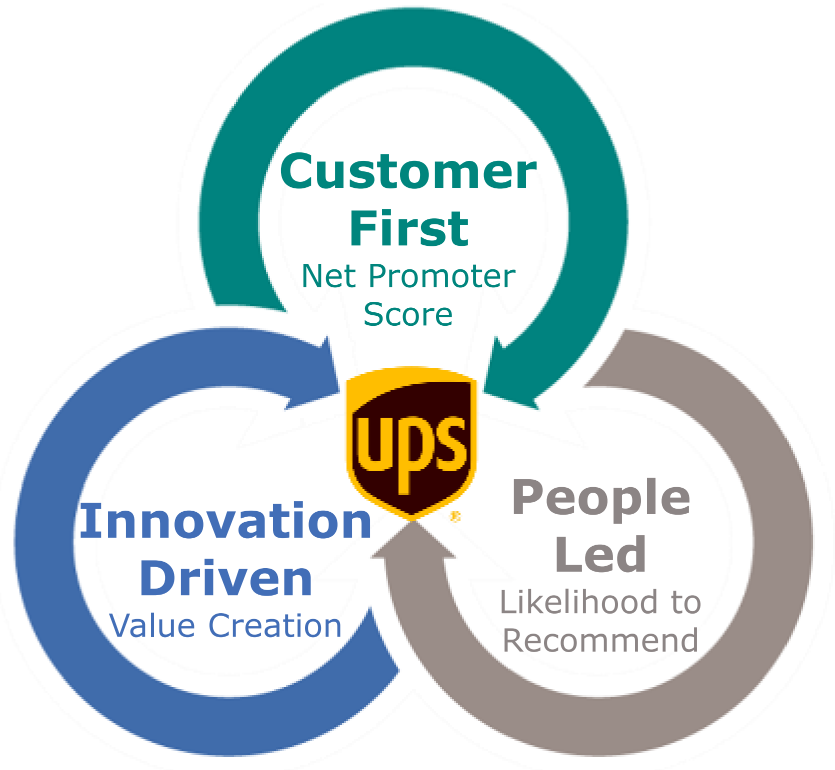


Dedicated healthcare facilities in 36 countries

Acquiring Frigo-Trans to build a more integrated Pan-European cold chain network

- Pan-European cold chain transportation solution
- Temperature-controlled and time-critical freight forwarding
- Temperature-controlled warehousing
- Six temperature zones (cryopreservation to ambient)

Customer First, People Led, Innovation Driven



- Expanded residential Saturday delivery to the eight largest markets in Europe
- Sped up deliveries to over 35 countries across Asia, Africa and the Middle East
- Added over 200 flights connecting Asia to Europe and the U.S. to meet peak holiday demand
- Generated $2.3B in global DAP revenue year to date
- As of October 1, fully onboarded all contracted USPS air cargo business
- Achieved our best auto safety results in 10 years
- Grew Circle of Honor to nearly 10,000 drivers

Ready to Deliver Another Successful Peak

- Industry-leading service for the last six peak seasons
- Leveraging Network Planning Tools and other proven technologies to control how volume comes in, flow more volume to our automated facilities and adjust the network to operate as efficiently as possible
- Flexibility to use experienced part-time employees as seasonal support drivers

Updated Full-Year 2024 Outlook

Full-year 2024 outlook reflects our 3Q24 results and increased emphasis on revenue quality, our latest peak volume expectations, and the impact of the completed Coyote disposition

Consolidated outlook

- Expect revenue of approximately $91.1B
- Lifting non-GAAP Adj. operating margin target to approximately 9.6%*

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

BRIAN DYKES

Chief Financial Officer

3Q24 Consolidated Results

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Non-GAAP Adj. Diluted EPS*	$1.76	$1.57	12.1%

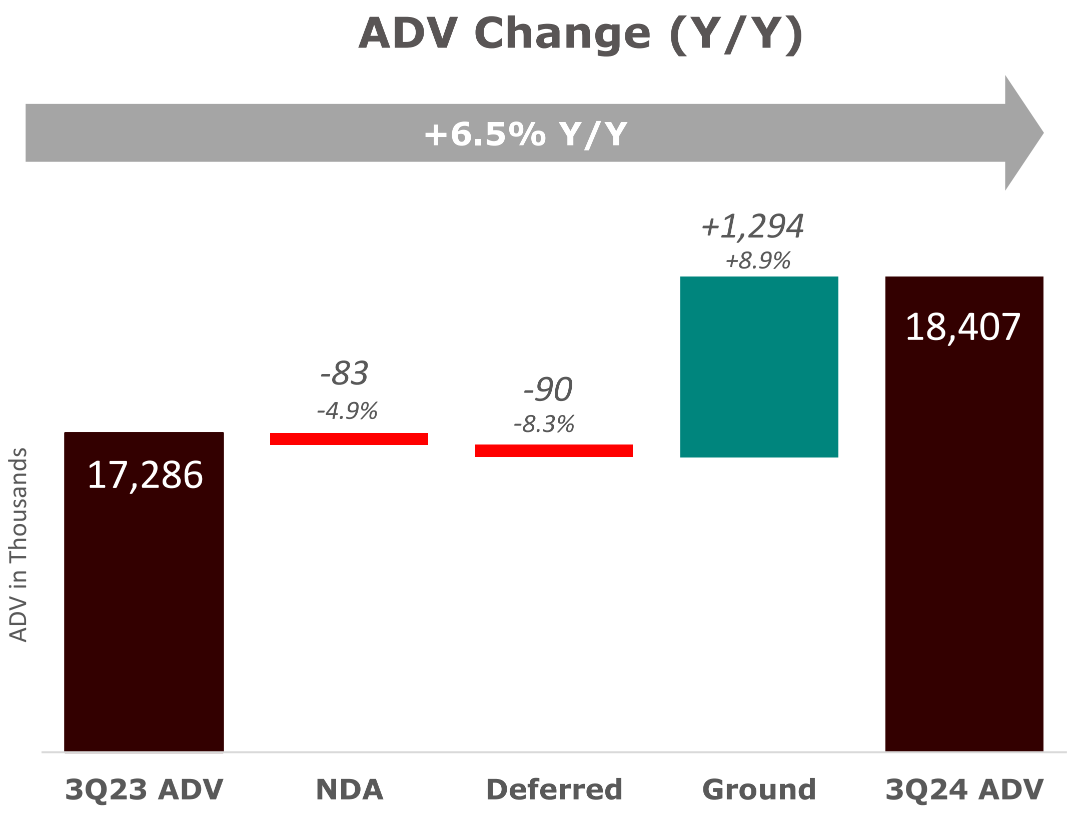
"All three of our business segments delivered revenue growth."

Brian Dykes, CFO

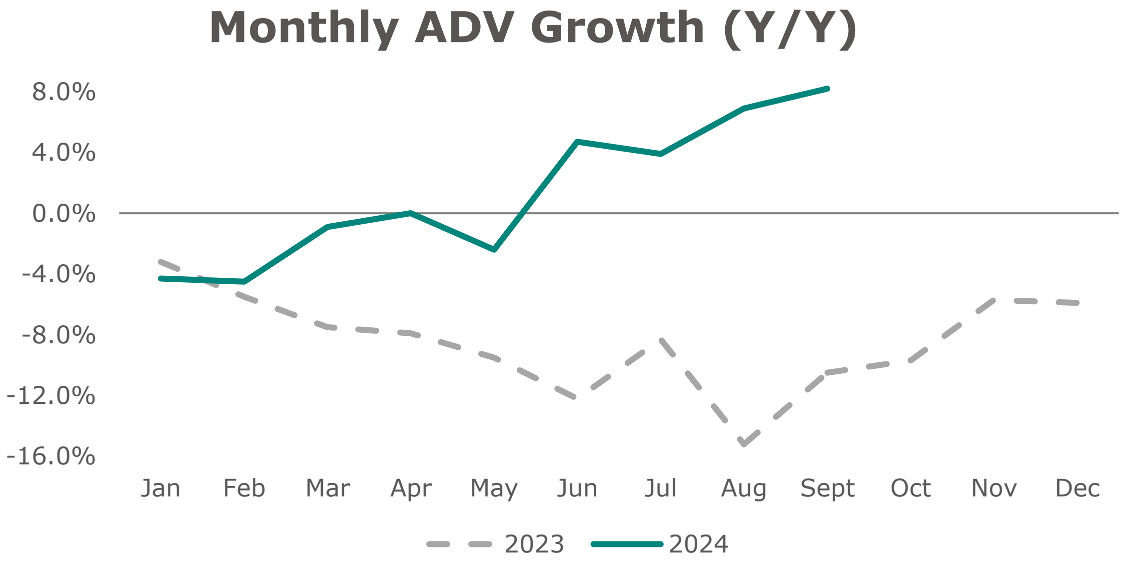
*Non-GAAP Adjusted financial measure. See Appendix for reconciliation to GAAP financial measure.

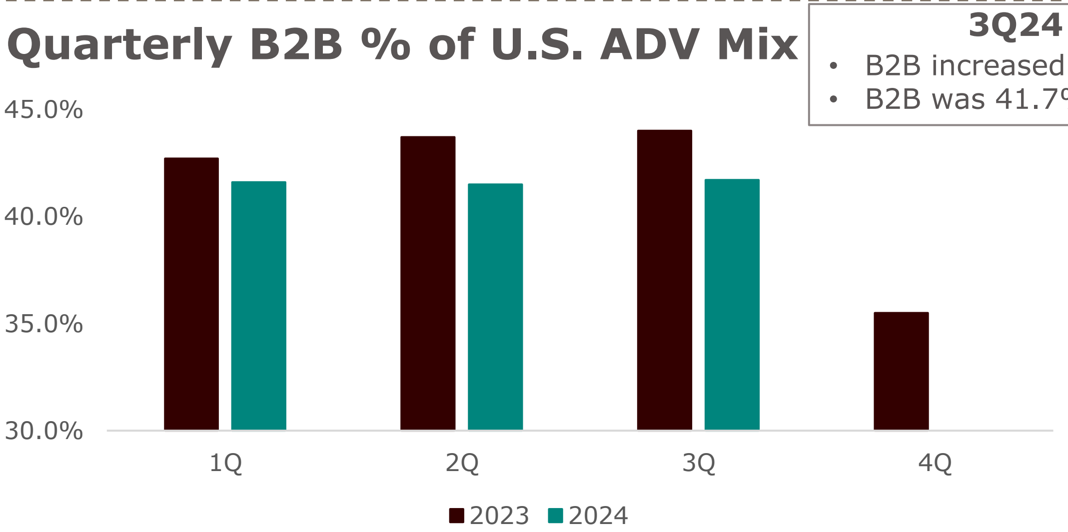
3Q Average Daily Volume Increased 6.5% Y/Y

Highest ADV growth rate in three years



- B2B average daily volume was up 0.8% Y/Y, driven by SMBs, which increased B2B ADV by 3.8%



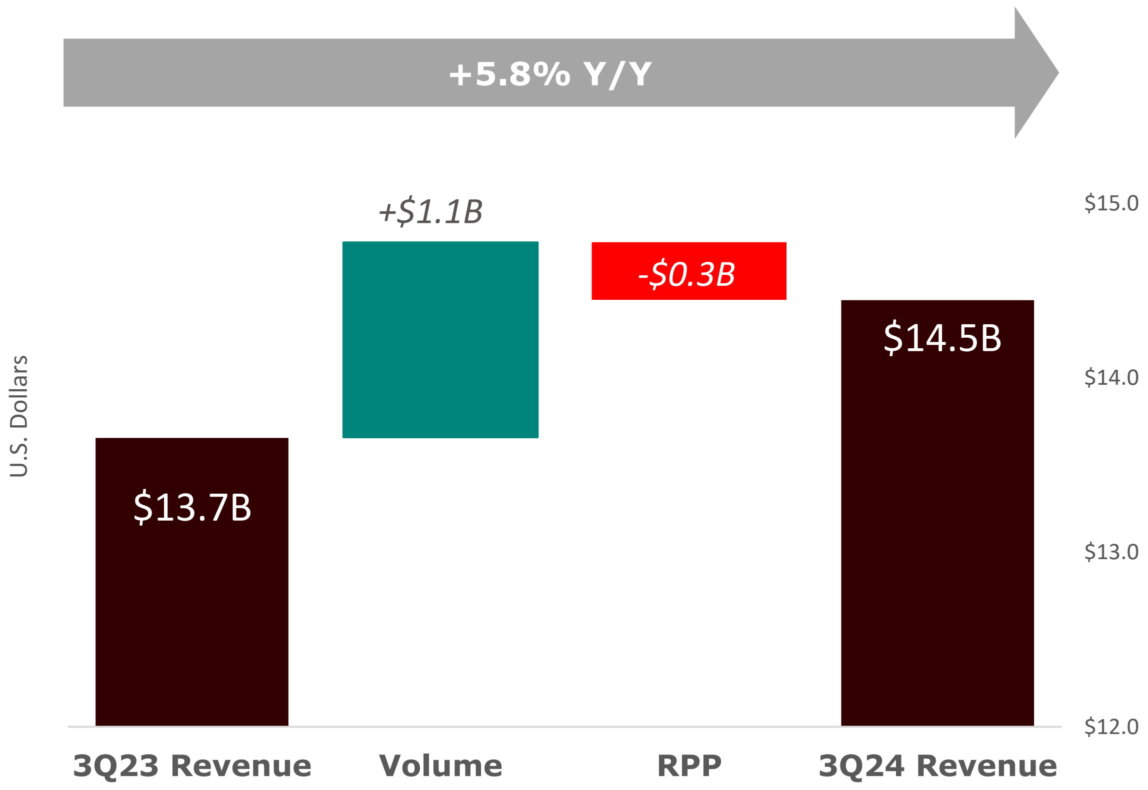


3Q24
- B2B increased 0.8%
- B2B was 41.7% of ADV

3Q Revenue of $14.5B, Up 5.8% Y/Y

Revenue per piece Y/Y growth rate up 40 basis points compared to 2Q

Revenue Change (Y/Y)



- Total 3Q revenue per piece (RPP) declined 2.2%
  - Base rates increased RPP growth rate ~170 basis points
  - Combination of product mix, lighter weights and shorter zones decreased RPP growth rate ~300 basis points
  - Remaining ~90 basis point decline due to combination of changes in customer mix and fuel

Delivered $974M in Non-GAAP Adj. Operating Profit* in 3Q

Excellent cost management resulted in 4.1% Y/Y decrease in cost per piece

U.S. Domestic Results

	3Q24	3Q23	Change Y/Y
Revenue	$14.5B	$13.7B	5.8%
Non-GAAP Adj. Operating Profit*	$974M	$665M	46.5%
Non-GAAP Adj. Operating Margin*	6.7%	4.9%	180 bps

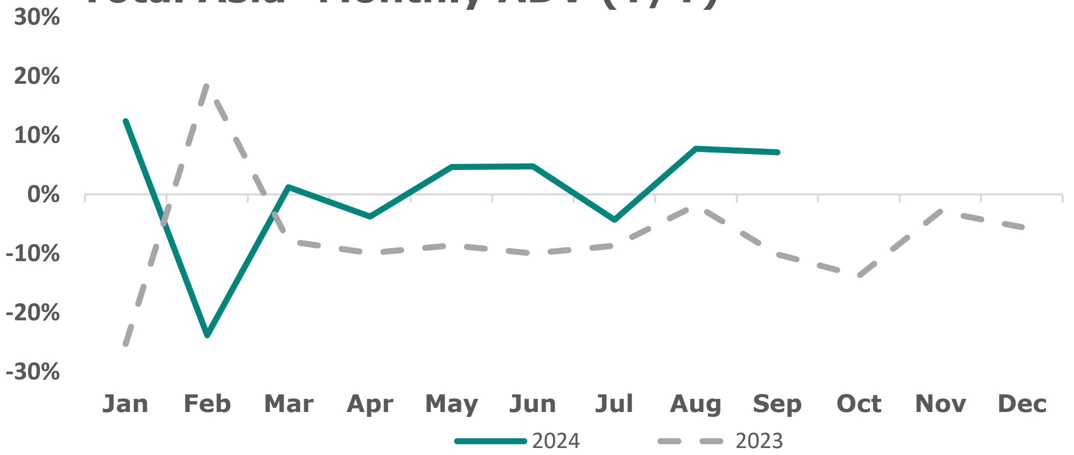
- Total Non-GAAP Adj. operating expense* up 3.7%
  - Through Network of the Future, completed 45 operational closures, contributing to an 8.0% improvement in pieces per workforce hour (an efficiency gain of 11M hours)
  - Production improvements, including Total Service Plan, offset 50% of the union wage rate increase
  - Continued to see positive trends in our safety performance, which contributed to lower expense
- Non-GAAP Adj. operating margin* of 6.7%, up 180 basis points Y/Y

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

3Q International Average Daily Volume Down 0.6% Y/Y

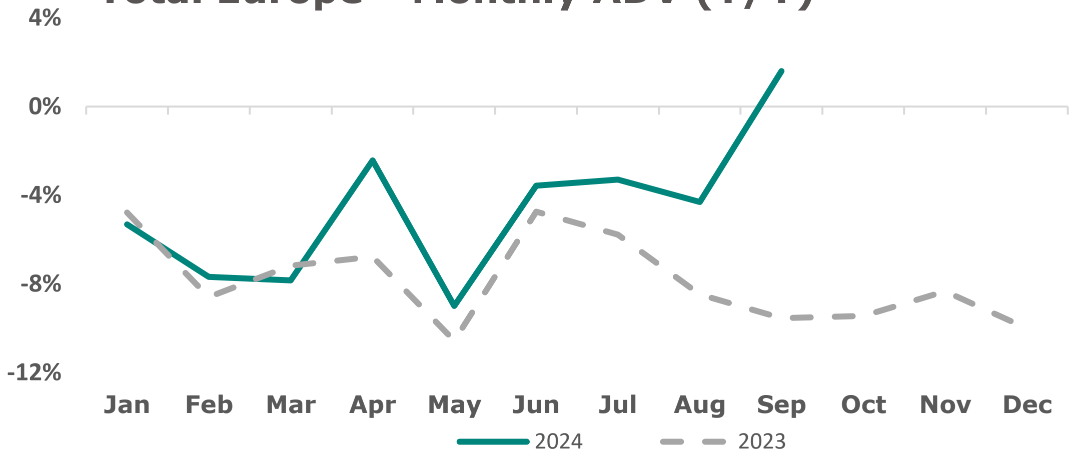
Thirteen of our top 20 export countries demonstrated Y/Y average daily volume growth

Total Asia* Monthly ADV (Y/Y)



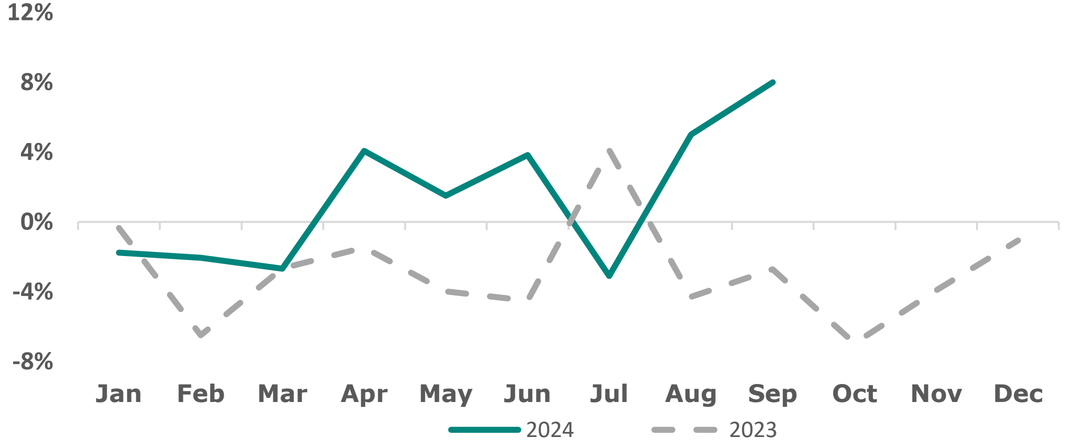
*Lunar New Year was in February of 2024 and in January of 2023

Total Europe** Monthly ADV (Y/Y)

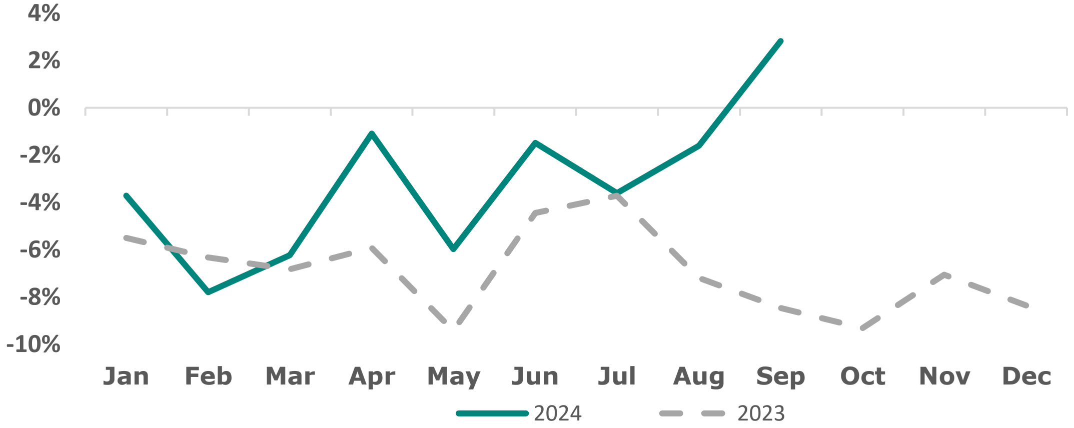


**Europe includes ISMEA (Indian Subcontinent, Middle East, and Africa)

Total Americas Monthly ADV (Y/Y)



Total International Monthly ADV (Y/Y)



Generated 3Q Non-GAAP Adj. Operating Profit* of $792M

All regions grew revenue Y/Y

International Results

	3Q24	3Q23	Change Y/Y
Revenue	$4.4B	$4.3B	3.4%
Non-GAAP Adj. Operating Profit*	$0.8B	$0.7B	17.3%
Non-GAAP Adj. Operating Margin*	18.0%	15.8%	220 bps

- Revenue per piece increased 2.5% Y/Y driven by strong base pricing and the positive impact of region and product mix
- Total non-GAAP Adj. operating expense* was relatively flat
- Non-GAAP Adj. operating margin* of 18.0%, up 220 basis points Y/Y

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

Revenue of $3.4B, Up 8.0% Y/Y

Remained agile and leaned into areas of growth in the face of a dynamic market

Supply Chain Solutions Results

	3Q24	3Q23	Change Y/Y
Revenue	$3.4B	$3.1B	8.0%
Non-GAAP Adj. Operating Profit*	$217M	$275M	-21.1%
Non-GAAP Adj. Operating Margin*	6.4%	8.8%	-240 bps

- Air and Ocean Forwarding revenue was up 15.1%, driven by market demand out of Asia
- Logistics delivered revenue growth, driven primarily by the impact of the MNX acquisition
- Onboarding of USPS air cargo contributed to revenue growth in SCS
- Partially offsetting these gains was weaker performance at Coyote and the completion of the sale of that truckload brokerage business in mid-September
- Non-GAAP Adj. operating margin* of 6.4%

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

3Q24 YTD Cash Flow and Capital Allocation

Cash From Operations	Free Cash Flow*	Dividends Paid	Share Repurchases
$6.8B	$4.0B	$4.0B	$500M
	Includes $1.4B annual pension contribution	$1.63 per share	

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

Updated 2024 Full-year Outlook

Lifting consolidated non-GAAP adj. operating margin expectation to ~9.6%

Considerations

- *Our third-quarter results and focus on revenue quality*
- *Sale of Coyote*
- *New softer peak volume forecasts from our customers*

Outlook

- Full-year 2024 Consolidated:
  - Revenue of ~$91.1B
  - Non-GAAP Adj. operating margin* ~9.6%
  - Capital expenditures of ~$4.0B
  - Free cash flow* of ~$5.1B, after $1.4B in pension contributions
  - Dividend payout of ~$5.4B
  - Tax rate between 23%-23.5%
- U.S. Domestic 4Q
  - Revenue growth of ~1.5%, driven by the combination of both expected volume and RPP growth
  - Non-GAAP adj. operating margin* of ~9.5%, with December slightly >10%
- International 4Q revenue expected to increase mid-single digits and non-GAAP Adj. operating margin* of ~20.0%
- Supply Chain Solutions 4Q expected revenue of ~$3.3B, and non-GAAP Adj. operating margin* of ~9.0%

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

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 Metrics

From time to time when presenting forward-looking non-GAAP metrics, we are unable to provide quantitative reconciliations to the most closely correlated GAAP measure due to the uncertainty in the timing, amount or nature of any adjustments, which could be material in any period.

One-Time Payment for International Regulatory Matter

We supplement the presentation of operating profit, operating margin, interest expense, total other income (expense), income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of a second quarter of 2024 one-time payment of $94 million of previously restricted cash to settle a previously-disclosed challenge by Italian tax authorities to the deductibility of Value Added Tax payments by UPS to certain third-party service providers, a review of which was launched in the fourth quarter of 2023. We do not believe this is a component of our ongoing operations and we do not expect this or similar payments to recur.

Expense for Regulatory Matter

We supplement the presentation of operating profit, operating margin, interest expense, total other income (expense), income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of an accrual for a regulatory matter that we consider to be unrelated to our ongoing operations and that we do not expect to recur.

Transformation Strategy Costs

We supplement the presentation of operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of charges related to activities within our transformation strategy. Our transformation activities have spanned several years to fundamentally change the spans and layers of our organization structure, processes, technologies and the composition of our business portfolio. While earlier stages of these transformation activities were complete in 2023 (Transformation 1.0), certain systems implementations and portfolio review activities (Transformation 2.0) are ongoing and expected to continue through 2025. We previously announced initiatives under Fit to Serve to right-size our business through a workforce reduction of approximately 12,000 positions throughout 2024 and create a more efficient operating model to enhance responsiveness to changing market dynamics. We are evaluating the scope of Fit to Serve. Various circumstances have precipitated these initiatives, including identification and prioritization of investments as a result of executive leadership changes, 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. We do not consider the related costs to be ordinary because each initiative and project involves separate and distinct activities that may span multiple periods and are not expected to drive incremental revenue, and because the scope of the initiatives exceeded that of routine, ongoing efforts to enhance profitability. These initiatives are in addition to ordinary, ongoing efforts to enhance business performance.

Goodwill and Asset Impairments

We supplement the presentation of operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of goodwill and asset impairment charges. We do not consider these charges when evaluating the operating performance of our business units, making decisions to allocate resources or in determining incentive compensation awards.

Gains and Losses Related to Divestitures

We supplement the presentation of operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of gains (or losses) related to the divestiture of businesses. We do not consider these transactions when evaluating the operating performance of our business units, making decisions to allocate resources or in determining incentive compensation awards.

One-Time Compensation Payment

We supplement the presentation of operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of a one-time payment made to certain U.S.-based, non-union part-time supervisors following the ratification of our labor agreement with the Teamsters in 2023. We do not expect this or similar payments to recur.

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 is calculated as non-GAAP adjusted operating expenses in a period divided by total volume for that period. 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 the operating performance of our business units, making decisions to allocate resources or in determining incentive compensation awards, we believe this is the appropriate metric on which to base reviews and evaluations of the efficiency of our operational performance.

Defined Benefit Pension and Postretirement Medical Plan Gains and Losses

We recognize changes in the fair value of plan assets and net actuarial gains and losses in excess of a 10% corridor (defined as 10% of the greater of the fair value of plan assets or the plan's projected benefit obligation), as well as gains and losses resulting from plan curtailments and settlements, for our pension and postretirement defined benefit plans immediately as part of Investment income (expense) and other in the statements of consolidated income. We supplement the presentation of our income before income taxes, net income and earnings per share with adjusted measures that exclude the impact of these gains and losses and the related income tax effects. We believe excluding these defined benefit pension and postretirement plan gains and losses provides important supplemental information by removing the volatility associated with plan amendments and short-term changes in market interest rates, equity values and similar factors.

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

	2024	2023
Operating Profit (GAAP)	$ 1,985	$ 1,343
Transformation Strategy Costs:		
Transformation 1.0	—	3
Transformation 2.0		
Business portfolio review	34	2
Financial systems	12	12
Other initiatives	—	1
Transformation 2.0 total	46	15
Fit to Serve	108	76
Total Transformation Strategy Costs	154	94
Gain on Divestiture of Coyote[1]	(156)	—
Goodwill and Asset Impairment Charges[2]	—	117
One-Time Compensation[3]	—	61
Non-GAAP Adjusted Operating Profit	$ 1,983	$ 1,615

	2024	2023
Operating Margin (GAAP)	8.9 %	6.4 %
Transformation Strategy Costs:		
Transformation 1.0	— %	— %
Transformation 2.0		
Business portfolio review	0.1 %	— %
Financial systems	0.1 %	0.1 %
Other initiatives	— %	— %
Transformation 2.0 total	0.2 %	0.1 %
Fit to Serve	0.5 %	0.3 %
Total Transformation Strategy Costs	0.7 %	0.4 %
Gain on Divestiture of Coyote[1]	(0.7)%	— %
Goodwill and Asset Impairment Charges[2]	— %	0.6 %
One-Time Compensation[3]	— %	0.3 %
Non-GAAP Adjusted Operating Margin	8.9 %	7.7 %

	2024	2023
Income Before Income Taxes (GAAP)	$ 1,910	$ 1,268
Transformation Strategy Costs:		
Transformation 1.0	—	3
Transformation 2.0		
Business portfolio review	34	2
Financial systems	12	12
Other initiatives	—	1
Transformation 2.0 total	46	15
Fit to Serve	108	76
Total Transformation Strategy Costs	154	94
Gain on Divestiture of Coyote[1]	(156)	—
Goodwill and Asset Impairment Charges[2]	—	117
One-Time Compensation[3]	—	61
Non-GAAP Adjusted Income Before Income Taxes	$ 1,908	$ 1,540

(1) Represents a pre-tax gain of $156 million on the divestiture of our Coyote Logistics business within Supply Chain Solutions during 2024.
(2) Reflects pre-tax goodwill impairment charges of $117 million within Supply Chain Solutions in 2023.
(3) Represents a pre-tax one-time payment of $61 million to certain U.S.-based non-union part-time supervisors in 2023.

Prior year amounts may have been reclassified to conform to the current year presentation. Certain amounts are calculated based on unrounded numbers.

Reconciliations

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

Three Months Ended
September 30

	2024	2023
Income Tax Expense (GAAP)	$ 371	$ 141
Transformation Strategy Costs:		
Transformation 1.0	—	1
Transformation 2.0		
Business portfolio review	8	1
Financial systems	3	3
Other initiatives	—	—
Transformation 2.0 total	11	4
Fit to Serve	27	19
Total Transformation Strategy Costs	38	24
Gain on Divestiture of Coyote[1]	(4)	—
Goodwill and Asset Impairment Charges[2]	—	14
One-Time Compensation[3]	—	15
Non-GAAP Adjusted Income Tax Expense	$ 405	$ 194

	2024	2023
Diluted Earnings Per Share (GAAP)	$ 1.80	$ 1.31
Transformation Strategy Costs:		
Transformation 1.0	—	—
Transformation 2.0		
Business portfolio review	0.03	—
Financial systems	0.01	0.02
Other initiatives	—	—
Transformation 2.0 total	0.04	0.02
Fit to Serve	0.10	0.07
Total Transformation Strategy Costs	0.14	0.09
Gain on Divestiture of Coyote[1]	(0.18)	—
Goodwill and Asset Impairment Charges[2]	—	0.12
One-Time Compensation[3]	—	0.05
Non-GAAP Adjusted Diluted Earnings Per Share	$ 1.76	$ 1.57

	2024	2023
Net Income (GAAP)	$ 1,539	$ 1,127
Transformation Strategy Costs:		
Transformation 1.0	—	2
Transformation 2.0		
Business portfolio review	26	1
Financial systems	9	9
Other initiatives	—	1
Transformation 2.0 total	35	11
Fit to Serve	81	57
Total Transformation Strategy Costs	116	70
Gain on Divestiture of Coyote[1]	(152)	—
Goodwill and Asset Impairment Charges[2]	—	103
One-Time Compensation[3]	—	46
Non-GAAP Adjusted Net Income	$ 1,503	$ 1,346

(1) Represents a pre-tax gain of $156 million on the divestiture of our Coyote Logistics business within Supply Chain Solutions during 2024.
(2) Reflects pre-tax goodwill impairment charges of $117 million within Supply Chain Solutions in 2023.
(3) Represents a pre-tax one-time payment of $61 million to certain U.S.-based non-union part-time supervisors in 2023.

Prior year amounts may have been reclassified to conform to the current year presentation. Certain amounts are calculated based on unrounded

Reconciliations

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

Three Months Ended
September 30

U.S. Domestic Package	Operating Expenses 2024	Operating Expenses 2023	% Change	Operating Profit 2024	Operating Profit 2023	% Change	Operating Margin 2024	Operating Margin 2023
GAAP	$ 13,552	$ 13,089	3.5 %	$ 898	$ 571	57.3 %	6.2 %	4.2 %
Adjusted for:								
Transformation Strategy Costs	(76)	(33)	130.3 %	76	33	130.3 %	0.5 %	0.2 %
One-Time Compensation	—	(61)	(100.0)%	—	61	(100.0)%	— %	0.5 %
Non-GAAP Adjusted Measure	$ 13,476	$ 12,995	3.7 %	$ 974	$ 665	46.5 %	6.7 %	4.9 %

International Package	Operating Expenses 2024	Operating Expenses 2023	% Change	Operating Profit 2024	Operating Profit 2023	% Change	Operating Margin 2024	Operating Margin 2023
GAAP	$ 3,613	$ 3,637	(0.7)%	$ 798	$ 630	26.7 %	18.1 %	14.8 %
Adjusted for:								
Transformation Strategy Costs	6	(45)	N/A	(6)	45	N/A	(0.1)%	1.0 %
Non-GAAP Adjusted Measure	$ 3,619	$ 3,592	0.8 %	$ 792	$ 675	17.3 %	18.0 %	15.8 %

Supply Chain Solutions	Operating Expenses 2024	Operating Expenses 2023	% Change	Operating Profit 2024	Operating Profit 2023	% Change	Operating Margin 2024	Operating Margin 2023
GAAP	$ 3,095	$ 2,992	3.4 %	$ 289	$ 142	103.5 %	8.5 %	4.5 %
Adjusted for:								
Transformation Strategy Costs	(84)	(16)	425.0 %	84	16	425.0 %	2.5 %	0.5 %
Gain on Divestiture of Coyote	156	—	N/A	(156)	—	N/A	(4.6)%	— %
Goodwill and Asset Impairment Charges	—	(117)	(100.0)%	—	117	(100.0)%	— %	3.8 %
Non-GAAP Adjusted Measure	$ 3,167	$ 2,859	10.8 %	$ 217	$ 275	(21.1)%	6.4 %	8.8 %

Prior year amounts may have been reclassified to conform to the current year presentation. 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
	2024	**2023**	
Operating Days	64	63	
Average Daily U.S. Domestic Package Volume	18,407	17,286	
U.S. Domestic Cost Per Piece (GAAP)	$ 11.50	$ 12.02	(4.3)%
Transformation Strategy Costs	(0.06)	(0.03)	100.0 %
One-Time Compensation	—	(0.06)	(100.0)%
U.S. Domestic Non-GAAP Adjusted Cost Per Piece	$ 11.44	$ 11.93	(4.1)%

Prior year amounts may have been reclassified to conform to the current year presentation.
Certain amounts are calculated based on unrounded numbers.

Reconciliations

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

(amounts in millions):	Nine Months Ended September 30,	
	2024	**2023**
Cash flows from operating activities	$ 6,807	$ 7,827
Capital expenditures	(2,811)	(3,109)
Proceeds from disposals of property, plant and equipment	68	167
Other investing activities	(26)	2
Free Cash Flow (Non-GAAP measure)	$ 4,038	$ 4,887

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