

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 23, 2024



United Parcel Service, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-15451  
(Commission File Number)

58-2480149  
(IRS Employer  
Identification No.)

55 Glenlake Parkway, N.E., Atlanta, Georgia 30328  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (404) 828-6000

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of Each Class	Securities registered pursuant to Section 12(b) of the Act: Trading Symbol	Name of Each Exchange on Which Registered
Class B common stock, par value \$0.01 per share	UPS	New York Stock Exchange
1.625% Senior Notes Due 2025	UPS25	New York Stock Exchange
1% Senior Notes due 2028	UPS28	New York Stock Exchange
1.500% Senior Notes due 2032	UPS32	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company.

If an emerging growth company, indicate by check mark if the registrant has elected not use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 — Results of Operations and Financial Condition.**

On April 23, 2024, United Parcel Service, Inc. (the “Company”) issued a press release containing information about the Company’s results of operations and financial condition for the quarter ended March 31, 2024. The Company also posted on its website at [www.investors.ups.com](http://www.investors.ups.com) financial statement schedules containing additional detail about the Company’s results of operations and financial condition for the same period.

A copy of the press release is attached hereto as Exhibit 99.1. A copy of the financial statement schedules is attached hereto as Exhibit 99.2.

**Item 9.01 — Financial Statements and Exhibits.**

(d) Exhibits

99.1 Press release dated April 23, 2024"[UPS RELEASES 1Q 2024 EARNINGS](#)"

99.2 [Q1 2024 financial statement schedules](#)

104 The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

The information contained in Items 2.02 and 9.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filings under the Securities Act of 1933 or the Exchange Act, except as may be expressly set forth by reference in any such filing.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 23, 2024

By: UNITED PARCEL SERVICE, INC.  
/s/ BRIAN O. NEWMAN  
\_\_\_\_\_  
Brian O. Newman  
Executive Vice President and Chief Financial Officer

## UPS RELEASES 1Q 2024 EARNINGS

- **Consolidated Revenues of \$21.7B, Compared to \$22.9B Last Year**
- **Consolidated Operating Margin of 7.4%; Adjusted\* Consolidated Operating Margin of 8.0%**
- **Diluted EPS of \$1.30; Adj. Diluted EPS of \$1.43, Compared to \$2.20 Last Year**
- **Reaffirms Full-Year 2024 Financial Guidance**

ATLANTA – April 23, 2024 – UPS (NYSE:UPS) today announced first-quarter 2024 consolidated revenues of \$21.7 billion, a 5.3% decrease from the first quarter of 2023. Consolidated operating profit was \$1.6 billion, down 36.5% compared to the first quarter of 2023, and down 31.5% on an adjusted basis. Diluted earnings per share were \$1.30 for the quarter; adjusted diluted earnings per share of \$1.43 were 35.0% below the same period in 2023.

For the first quarter of 2024, GAAP results include a total charge of \$110 million, or \$0.13 per diluted share, comprised of after-tax transformation and other charges of \$75 million and a non-cash, after-tax impairment charge of \$35 million, driven by plans to consolidate certain acquired brands within the company's healthcare portfolio.

"I want to thank all UPSers for their hard work and efforts," said Carol Tomé, UPS chief executive officer. "Our financial performance in the first quarter was in line with our expectations, and average daily volume in the U.S. showed improvement through the quarter. Looking ahead, we expect to return to volume and revenue growth."

### U.S. Domestic Segment

	<u>1Q 2024</u>	<u>Adjusted 1Q 2024</u>	<u>1Q 2023</u>	<u>Adjusted 1Q 2023</u>
Revenue	\$14,234 M		\$14,987 M	
Operating profit	\$825 M	\$839 M	\$1,466 M	\$1,488 M

- Revenue decreased 5.0%, driven by a 3.2% decrease in average daily volume.
- Operating margin was 5.8%; adjusted operating margin was 5.9%.

### International Segment

	<u>1Q 2024</u>	<u>Adjusted 1Q 2024</u>	<u>1Q 2023</u>	<u>Adjusted 1Q 2023</u>
Revenue	\$4,256 M		\$4,543 M	
Operating profit	\$656 M	\$682 M	\$828 M	\$806 M

- Revenue decreased 6.3%, driven by a 5.8% decrease in average daily volume.
- Operating margin was 15.4%; adjusted operating margin was 16.0%.

## Supply Chain Solutions<sup>1</sup>

	<u>1Q 2024</u>	<u>Adjusted 1Q 2024</u>	<u>1Q 2023</u>	<u>Adjusted 1Q 2023</u>
Revenue	\$3,216 M		\$3,395 M	
Operating profit	\$132 M	\$226 M	\$247 M	\$258 M

<sup>1</sup> Consists of operating segments that do not meet the criteria of a reportable segment under ASC Topic 280 – Segment Reporting.

- Revenue decreased 5.3% primarily due to market rate declines in forwarding.
- Operating margin was 4.1%; adjusted operating margin was 7.0%.

### **2024 Outlook**

The company provides certain guidance on an adjusted (non-GAAP) basis because it is not possible to predict or provide a reconciliation reflecting the impact of future pension adjustments or other unanticipated events, which would be included in reported (GAAP) results and could be material.

For 2024, UPS reaffirms its full-year, consolidated financial targets:

- Consolidated revenue to range from approximately \$92.0 billion to \$94.5 billion
- Consolidated adjusted operating margin to range from approximately 10.0% to 10.6%
- Capital expenditures of approximately \$4.5 billion

\* "Adjusted" or "Adj." amounts are non-GAAP financial measures. See the appendix to this release for a discussion of non-GAAP financial measures, including a reconciliation to the most closely correlated GAAP measure.

### **Contacts:**

UPS Media Relations: 404-828-7123 or [pr@ups.com](mailto:pr@ups.com)

UPS Investor Relations: 404-828-6059 (option 4) or [investor@ups.com](mailto:investor@ups.com)

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## **Conference Call Information**

UPS CEO Carol Tomé and CFO Brian Newman will discuss first-quarter results with investors and analysts during a conference call at 8:30 a.m. ET, April 23, 2024. That call will be open to others through a live Webcast. To access the call, go to [www.investors.ups.com](http://www.investors.ups.com) and click on "Earnings Conference Call." Additional financial information is included in the detailed financial schedules being posted on [www.investors.ups.com](http://www.investors.ups.com) under "Quarterly Earnings and Financials" and as furnished to the SEC as an exhibit to our Current Report on Form 8-K.

## **About UPS**

UPS (NYSE: UPS) is one of the world's largest companies, with 2023 revenue of \$91.0 billion, and provides a broad range of integrated logistics solutions for customers in more than 200 countries and territories. Focused on its purpose statement, "Moving our world forward by delivering what matters," the company's approximately 500,000 employees embrace a strategy that is simply stated and powerfully executed: Customer First. People Led. Innovation Driven. UPS is committed to reducing its impact on the environment and supporting the communities we serve around the world. UPS also takes an unwavering stance in support of diversity, equity and inclusion. More information can be found at [www.ups.com](http://www.ups.com), [about.ups.com](http://about.ups.com) and [www.investors.ups.com](http://www.investors.ups.com).

## **Forward-Looking Statements**

This release, our Annual Report on Form 10-K for the year ended December 31, 2023 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. Forward-looking 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; 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

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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; 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, except as required by law.

From time to time, we expect 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](http://www.investors.ups.com) under the heading "Presentations" when made available. These presentations may contain new material nonpublic information about our company and you are encouraged to monitor this site for any new posts, as we may use this mechanism as a public announcement.

### **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.

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

#### *Incentive Compensation Program Design Changes*

During 2022, we completed certain structural changes to the design of our incentive compensation programs that resulted in a one-time, non-cash charge in connection with the accelerated vesting of certain equity incentive awards that we do not expect to repeat. We supplement the presentation of our operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of these changes. We believe excluding the impacts of such changes allows users of our financial statements to more appropriately identify underlying growth trends in compensation and benefits expense.

#### *Long-lived Asset Estimated Residual Value Changes*

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During the fourth quarter of 2022, we incurred a one-time, non-cash charge resulting from a reduction in the estimated residual value of our MD-11 fleet. We supplement the presentation of our operating profit, operating margin, income before income taxes, net income and earnings per share with non-GAAP measures that exclude the impact of this charge. We believe excluding the impact of this charge better enables users of our financial statements to understand the ongoing cost associated with our long-lived assets.

#### *Transformation and Other Costs, and Asset Impairment Charges*

We supplement the presentation of our 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 transformation activities, asset impairments and other charges. We believe excluding the impact of these charges better enables users of our financial statements to view and evaluate underlying business performance from the perspective of management. We do not consider these costs 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 our 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. We do not expect this or similar payments to recur. We believe excluding the impact of this one-time payment better enables users of our financial statements to view and evaluate underlying business performance from the same perspective as management.

#### *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.

#### *Adjusted Return on Invested Capital*

Adjusted ROIC is calculated as the trailing twelve months ("TTM") of adjusted operating income divided by the average of total debt, non-current pension and postretirement benefit obligations and shareowners' equity, at the current period end and the corresponding period end of the prior year. Because adjusted

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ROIC is not a measure defined by GAAP, we calculate it, in part, using non-GAAP financial measures that we believe are most indicative of our ongoing business performance. We consider adjusted ROIC to be a useful measure for evaluating the effectiveness and efficiency of our long-term capital investments.

*Adjusted Total Debt / Adjusted EBITDA*

Adjusted total debt is defined as our long-term debt and finance leases, including current maturities, plus non-current pension and postretirement benefit obligations. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization adjusted for the impacts of incentive compensation program redesign, one-time compensation, goodwill & asset impairment charges, transformation and other costs, defined benefit plan gains and losses and other income. We believe the ratio of adjusted total debt to adjusted EBITDA is an important indicator of our financial strength, and is a ratio used by third parties when evaluating the level of our indebtedness.

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

Three Months Ended March 31, 2024

	As Reported (GAAP)	Asset Impairment Charges <sup>(1)</sup>	Transformation & Other Adj. <sup>(2)</sup>	As Adjusted (Non-GAAP)
U.S. Domestic Package	\$ 13,409	\$ 5	\$ 9	\$ 13,395
International Package	3,600	2	24	3,574
Supply Chain Solutions	3,084	41	53	2,990
Operating Expense	20,093	48	86	19,959
U.S. Domestic Package	825	5	9	839
International Package	656	2	24	682
Supply Chain Solutions	132	41	53	226
Operating Profit	1,613	48	86	1,747
Other Income and (Expense):				
Other pension income (expense)	67	—	—	67
Investment income (expense) and other	51	—	—	51
Interest expense	(195)	—	—	(195)
Total Other Income (Expense)	(77)	—	—	(77)
Income Before Income Taxes	1,536	48	86	1,670
Income Tax Expense	423	13	11	447
Net Income	\$ 1,113	\$ 35	\$ 75	\$ 1,223
Basic Earnings Per Share	\$ 1.30	\$ 0.04	\$ 0.09	\$ 1.43
Diluted Earnings Per Share	\$ 1.30	\$ 0.04	\$ 0.09	\$ 1.43

(1) Reflects impairment charges of \$41 million for acquired trade names within Supply Chain Solutions and \$7 million for software licenses.

(2) Reflects other employee benefits costs of \$31 million and \$55 million of other costs, including a one-time expense related to a regulatory matter.

**Reconciliation of Free Cash Flow (Non-GAAP measure)**  
**(in millions):**

Three Months Ended March 31,

	<b>2024</b>
Cash flows from operating activities	\$ 3,316
Capital expenditures	(1,035)
Proceeds from disposals of property, plant and equipment	13
Other investing activities	(14)
Free Cash Flow (Non-GAAP measure)	<u>\$ 2,280</u>



**Reconciliation of Adjusted Debt to Adjusted EBITDA (Non-GAAP measure)**  
(in millions):

		<b>TTM<sup>(1)</sup> Ended March 31, 2024</b>
Net income	\$	5,926
Add back:		
Income tax expense		1,661
Interest expense		794
Depreciation & amortization		3,430
EBITDA	\$	11,811
Add back (deduct):		
Incentive compensation program redesign		—
One-time compensation		61
Asset impairment charges		276
Transformation and other		518
Defined benefit plan (gains) and losses		359
Investment income and other pension income		(527)
Adjusted EBITDA	\$	12,498
Debt and finance leases, including current maturities	\$	20,013
Add back:		
Non-current pension and postretirement benefit obligations		6,323
Adjusted total debt	\$	26,336
Adjusted total debt/Net income		<u>4.44</u>
Adjusted total debt/adjusted EBITDA (Non-GAAP)		<u>2.11</u>

(1) Trailing twelve months.

**Reconciliation of Adjusted Return on Invested Capital (Non-GAAP measure)  
(in millions):**

	<b>TTM<sup>(1)</sup> Ended March 31, 2024</b>
Net income	\$ 5,926
Add back (deduct):	
Income tax expense	1,661
Interest expense	794
Other pension (income) expense	94
Investment (income) expense and other	(262)
Operating profit	\$ 8,213
Incentive compensation program redesign	—
Long-lived asset estimated residual value changes	—
One-time compensation	61
Asset impairment charges	276
Transformation and other	518
Adjusted operating profit	\$ 9,068
Average debt and finance leases, including current maturities	21,101
Average pension and postretirement benefit obligations	5,463
Average shareowners' equity	18,493
Average invested capital	\$ 45,057
Net income to average invested capital	13.2 %
Adjusted Return on Invested Capital (Non-GAAP)	20.1 %

(1) Trailing twelve months.

**United Parcel Service, Inc.**  
**Selected Financial Data - First Quarter**  
(unaudited)

	Three Months Ended March 31			
	2024	2023	Change	% Change
<i>(amounts in millions, except per share data)</i>				
<b>Statement of Income Data:</b>				
Revenue:				
U.S. Domestic Package	\$ 14,234	\$ 14,987	\$ (753)	(5.0)%
International Package	4,256	4,543	(287)	(6.3)%
Supply Chain Solutions	3,216	3,395	(179)	(5.3)%
Total revenue	21,706	22,925	(1,219)	(5.3)%
Operating expenses:				
U.S. Domestic Package	13,409	13,521	(112)	(0.8)%
International Package	3,600	3,715	(115)	(3.1)%
Supply Chain Solutions	3,084	3,148	(64)	(2.0)%
Total operating expenses	20,093	20,384	(291)	(1.4)%
Operating profit:				
U.S. Domestic Package	825	1,466	(641)	(43.7)%
International Package	656	828	(172)	(20.8)%
Supply Chain Solutions	132	247	(115)	(46.6)%
Total operating profit	1,613	2,541	(928)	(36.5)%
Other income (expense):				
Other pension income (expense)	67	66	1	1.5 %
Investment income (expense) and other	51	103	(52)	(50.5)%
Interest expense	(195)	(188)	(7)	3.7 %
Total other income (expense)	(77)	(19)	(58)	305.3 %
Income before income taxes	1,536	2,522	(986)	(39.1)%
Income tax expense	423	627	(204)	(32.5)%
Net income	\$ 1,113	\$ 1,895	\$ (782)	(41.3)%
Net income as a percentage of revenue	5.1 %	8.3 %		
Per share amounts:				
Basic earnings per share	\$ 1.30	\$ 2.20	\$ (0.90)	(40.9)%
Diluted earnings per share	\$ 1.30	\$ 2.19	\$ (0.89)	(40.6)%
Weighted-average shares outstanding:				
Basic	856	862	(6)	(0.7)%
Diluted	857	865	(8)	(0.9)%
<b>As Adjusted Income Data <sup>(1)</sup>:</b>				
Operating profit:				
U.S. Domestic Package	\$ 839	\$ 1,488	\$ (649)	(43.6)%
International Package	682	806	(124)	(15.4)%
Supply Chain Solutions	226	258	(32)	(12.4)%
Total operating profit	1,747	2,552	(805)	(31.5)%
Total other income (expense)	\$ (77)	\$ (19)	\$ (58)	305.3 %
Income before income taxes	\$ 1,670	\$ 2,533	\$ (863)	(34.1)%
Net income	\$ 1,223	\$ 1,904	\$ (681)	(35.8)%
Basic earnings per share	\$ 1.43	\$ 2.21	\$ (0.78)	(35.3)%
Diluted earnings per share	\$ 1.43	\$ 2.20	\$ (0.77)	(35.0)%

(1) See Non-GAAP schedules for reconciliation of adjustments.

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

**United Parcel Service, Inc.**  
**Selected Operating Data - First Quarter**  
(unaudited)

	Three Months Ended			
	March 31			
	2024	2023	Change	% Change
<b>Revenue (in millions):</b>				
U.S. Domestic Package:				
Next Day Air	\$ 2,316	\$ 2,461	\$ (145)	(5.9)%
Deferred	1,156	1,194	(38)	(3.2)%
Ground	10,762	11,332	(570)	(5.0)%
Total U.S. Domestic Package	14,234	14,987	(753)	(5.0)%
International Package:				
Domestic	758	794	(36)	(4.5)%
Export	3,350	3,552	(202)	(5.7)%
Cargo and Other	148	197	(49)	(24.9)%
Total International Package	4,256	4,543	(287)	(6.3)%
Supply Chain Solutions:				
Forwarding	1,280	1,514	(234)	(15.5)%
Logistics	1,542	1,410	132	9.4%
Other	394	471	(77)	(16.3)%
Total Supply Chain Solutions	3,216	3,395	(179)	(5.3)%
Consolidated	\$ 21,706	\$ 22,925	\$ (1,219)	(5.3)%
Consolidated volume (in millions)	1,336	1,407	(71)	(5.0)%
Operating weekdays	63	64	(1)	(1.6)%
<b>Average Daily Package Volume (in thousands):</b>				
U.S. Domestic Package:				
Next Day Air	1,590	1,737	(147)	(8.5)%
Deferred	1,047	1,139	(92)	(8.1)%
Ground	15,438	15,796	(358)	(2.3)%
Total U.S. Domestic Package	18,075	18,672	(597)	(3.2)%
International Package:				
Domestic	1,503	1,635	(132)	(8.1)%
Export	1,621	1,682	(61)	(3.6)%
Total International Package	3,124	3,317	(193)	(5.8)%
Consolidated	21,199	21,989	(790)	(3.6)%
<b>Average Revenue Per Piece:</b>				
U.S. Domestic Package:				
Next Day Air	\$ 23.12	\$ 22.14	\$ 0.98	4.4%
Deferred	17.53	16.38	1.15	7.0%
Ground	11.07	11.21	(0.14)	(1.2)%
Total U.S. Domestic Package	12.50	12.54	(0.04)	(0.3)%
International Package:				
Domestic	8.01	7.59	0.42	5.5%
Export	32.80	33.00	(0.20)	(0.6)%
Total International Package	20.87	20.47	0.40	2.0%
Consolidated	\$ 13.73	\$ 13.74	\$ (0.01)	(0.1)%

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



**United Parcel Service, Inc.**  
**Detail of Operating Expenses - First Quarter**  
(unaudited)

<i>(in millions)</i>	Three Months Ended			
	March 31			
	2024	2023	Change	% Change
Compensation and benefits	\$ 11,639	\$ 11,464	\$ 175	1.5 %
Repairs and maintenance	718	725	(7)	(1.0)%
Depreciation and amortization	898	834	64	7.7 %
Purchased transportation	3,246	3,541	(295)	(8.3)%
Fuel	1,060	1,271	(211)	(16.6)%
Other occupancy	564	551	13	2.4 %
Other expenses	1,968	1,998	(30)	(1.5)%
Total operating expenses	\$ 20,093	\$ 20,384	\$ (291)	(1.4)%

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

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**United Parcel Service, Inc.**  
**Consolidated Balance Sheets**  
**March 31, 2024 (unaudited) and December 31, 2023**

	March 31, 2024	December 31, 2023
<i>(amounts in millions)</i>		
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,281	\$ 3,206
Marketable securities	232	2,866
Accounts receivable	9,698	11,342
Less: Allowance for credit losses	(144)	(126)
Accounts receivable, net	9,554	11,216
Materials and supplies	898	935
Other current assets	1,212	1,190
Total Current Assets	16,177	19,413
Property, Plant and Equipment, Net	37,168	36,945
Operating Lease Right-Of-Use Assets	4,223	4,308
Goodwill	4,846	4,872
Intangible Assets, Net	3,308	3,305
Deferred Income Tax Assets	126	126
Other Non-Current Assets	1,780	1,888
Total Assets	\$ 67,628	\$ 70,857
<b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt, commercial paper and finance leases	\$ 1,164	\$ 3,348
Current maturities of operating leases	694	709
Accounts payable	5,397	6,340
Accrued wages and withholdings	3,217	3,224
Self-insurance reserves	1,325	1,320
Accrued group welfare and retirement plan contributions	1,573	1,479
Other current liabilities	1,326	1,256
Total Current Liabilities	14,696	17,676
Long-Term Debt and Finance Leases	18,849	18,916
Non-Current Operating Leases	3,690	3,756
Pension and Postretirement Benefit Obligations	6,323	6,159
Deferred Income Tax Liabilities	3,825	3,772
Other Non-Current Liabilities	3,312	3,264
Shareowners' Equity:		
Class A common stock	2	2
Class B common stock	7	7
Additional paid-in capital	—	—
Retained earnings	20,681	21,055
Accumulated other comprehensive loss	(3,781)	(3,758)
Deferred compensation obligations	6	9
Less: Treasury stock	(6)	(9)
Total Equity for Controlling Interests	16,909	17,306
Noncontrolling interests	24	8
Total Shareowners' Equity	16,933	17,314
Total Liabilities and Shareowners' Equity	\$ 67,628	\$ 70,857

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

**United Parcel Service, Inc.**  
**Statements of Consolidated Cash Flows**  
(unaudited)

(amounts in millions)

	Three Months Ended	
	March 31	
	2024	2023
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 1,113	\$ 1,895
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	898	834
Pension and postretirement benefit expense	259	243
Pension and postretirement benefit contributions	(50)	(1,277)
Self-insurance reserves	27	(20)
Deferred tax (benefit) expense	22	56
Stock compensation expense	(27)	126
Other (gains) losses	129	(13)
Changes in assets and liabilities, net of effects of business acquisitions:		
Accounts receivable	1,492	2,254
Other assets	55	62
Accounts payable	(799)	(1,668)
Accrued wages and withholdings	12	(508)
Other liabilities	185	405
Other operating activities	—	(32)
Net cash from operating activities	<u>3,316</u>	<u>2,357</u>
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(1,035)	(609)
Proceeds from disposal of businesses, property, plant and equipment	13	5
Purchases of marketable securities	(50)	(2,371)
Sales and maturities of marketable securities	2,696	1,179
Acquisitions, net of cash acquired	(44)	(34)
Other investing activities	(14)	17
Net cash used in investing activities	<u>1,566</u>	<u>(1,813)</u>
<b>Cash Flows From Financing Activities:</b>		
Net change in short-term debt	(1,272)	—
Proceeds from long-term borrowings	—	2,503
Repayments of long-term borrowings	(926)	(65)
Purchases of common stock	—	(751)
Issuances of common stock	54	49
Dividends	(1,348)	(1,348)
Other financing activities	(174)	(384)
Net cash used in financing activities	<u>(3,666)</u>	<u>4</u>
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	<u>(48)</u>	<u>40</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	1,168	588
<b>Cash, Cash Equivalents and Restricted Cash:</b>		
Beginning of period	3,206	5,602
End of period	<u>\$ 4,374</u>	<u>\$ 6,190</u>

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

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

(amounts in millions)

	Three Months Ended	
	March 31	
	2024	2023
Cash flows from operating activities	\$ 3,316	\$ 2,357
Capital expenditures	(1,035)	(609)
Proceeds from disposals of property, plant and equipment	13	5
Other investing activities	(14)	17
Free Cash Flow (Non-GAAP measure)	<u>\$ 2,280</u>	<u>\$ 1,770</u>

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

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**United Parcel Service, Inc.**  
**Reconciliation of Adjusted Debt to Adjusted EBITDA (Non-GAAP measure)**  
(unaudited)

(amounts in millions)

	TTM <sup>(1)</sup> Ended March 31, 2024	TTM <sup>(1)</sup> Ended March 31, 2023
Net income	\$ 5,926	\$ 10,781
Add back:		
Income tax expense	1,661	3,174
Interest expense	794	718
Depreciation & amortization	3,430	3,258
EBITDA	11,811	17,931
Add back (deduct):		
Incentive compensation program redesign	—	505
One-time compensation	61	—
Asset impairment charges	276	8
Transformation and other	518	126
Defined benefit plan (gains) and losses	359	(1,028)
Investment income and other pension income	(527)	(1,261)
Adjusted EBITDA	\$ 12,498	\$ 16,281
Debt and finance leases, including current maturities	\$ 20,013	\$ 22,188
Add back:		
Non-current pension and postretirement benefit obligations	6,323	4,602
Adjusted total debt	\$ 26,336	\$ 26,790
Adjusted total debt/Net income	4.44	2.48
Adjusted total debt/adjusted EBITDA (Non-GAAP)	2.11	1.65

(1) Trailing twelve months.

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

**United Parcel Service, Inc.**  
**Reconciliation of Adjusted Return on Invested Capital (Non-GAAP measure)**  
(unaudited)

(amounts in millions)

	TTM <sup>(1)</sup> Ended March 31, 2024	TTM <sup>(1)</sup> Ended March 31, 2023
Net income	\$ 5,926	\$ 10,781
Add back (deduct):		
Income tax expense	1,661	3,174
Interest expense	794	718
Other pension (income) expense	94	(1,986)
Investment (income) expense and other	(262)	(303)
Operating profit	\$ 8,213	\$ 12,384
Incentive compensation program redesign	—	505
Long-lived asset estimated residual value changes	—	76
One-time compensation	61	—
Asset impairment charges	276	8
Transformation and other	518	126
Adjusted operating profit	\$ 9,068	\$ 13,099
Average debt and finance leases, including current maturities	\$ 21,101	\$ 22,035
Average pension and postretirement benefit obligations	5,463	6,403
Average shareowners' equity	18,493	17,744
Average invested capital	\$ 45,057	\$ 46,182
Net income to average invested capital	13.2 %	23.3 %
Adjusted Return on Invested Capital (Non-GAAP)	20.1 %	28.4 %

(1) Trailing twelve months.

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

**United Parcel Service, Inc.**  
**Reconciliation of GAAP and As Adjusted Income Statement Data**  
**(unaudited)**

Three Months Ended March 31,

(in millions, except per share data)

	2024				2023					
	As Reported (GAAP)	Asset Impairment Charges <sup>(1)</sup>	Transformation & Other Adj. <sup>(2)</sup>	As Adjusted (Non-GAAP)	As Reported (GAAP)	Asset Impairment Charges <sup>(3)</sup>	Transformation & Other Adj. <sup>(4)</sup>	As Adjusted (Non-GAAP)	% Change As Rep. (GAAP)	% Change As Adj. (Non-GAAP)
U.S. Domestic Package	\$ 13,409	\$ 5	\$ 9	\$ 13,395	\$ 13,521	\$ —	\$ 22	\$ 13,499	(0.8)%	(0.8)%
International Package	3,600	2	24	3,574	3,715	—	(22)	3,737	(3.1)%	(4.4)%
Supply Chain Solutions	3,084	41	53	2,990	3,148	8	3	3,137	(2.0)%	(4.7)%
Operating expense	20,093	48	86	19,959	20,384	8	3	20,373	(1.4)%	(2.0)%
U.S. Domestic Package	\$ 825	\$ 5	\$ 9	\$ 839	\$ 1,466	\$ —	\$ 22	\$ 1,488	(43.7)%	(43.6)%
International Package	656	2	24	682	828	—	(22)	806	(20.8)%	(15.4)%
Supply Chain Solutions	132	41	53	226	247	8	3	258	(46.6)%	(12.4)%
Operating Profit	1,613	48	86	1,747	2,541	8	3	2,552	(36.5)%	(31.5)%
Other Income and (Expense):										
Other pension income (expense)	67	—	—	67	66	—	—	66	1.5 %	1.5 %
Investment income (expense) and other	51	—	—	51	103	—	—	103	(50.5)%	(50.5)%
Interest expense	(195)	—	—	(195)	(188)	—	—	(188)	3.7 %	3.7 %
Total Other Income (Expense)	\$ (77)	\$ —	\$ —	\$ (77)	\$ (19)	\$ —	\$ —	\$ (19)	305.3 %	305.3 %
Income Before Income Taxes	1,536	48	86	1,670	2,522	8	3	2,533	(39.1)%	(34.1)%
Income Tax Expense	423	13	11	447	627	2	0	629	(32.5)%	(28.9)%
Net Income	\$ 1,113	\$ 35	\$ 75	\$ 1,223	\$ 1,895	\$ 6	\$ 3	\$ 1,904	(41.3)%	(35.8)%
Basic Earnings Per Share	\$ 1.30	\$ 0.04	\$ 0.09	\$ 1.43	\$ 2.20	\$ 0.01	\$ —	\$ 2.21	(40.9)%	(35.3)%
Diluted Earnings Per Share	\$ 1.30	\$ 0.04	\$ 0.09	\$ 1.43	\$ 2.19	\$ 0.01	\$ —	\$ 2.20	(40.6)%	(35.0)%
Weighted-average shares outstanding:										
Basic	856				862					
Diluted	857				865					

- (1) Reflects impairment charges of \$41 million for acquired trade names within Supply Chain Solutions and \$7 million for software licenses.  
(2) Reflects other employee benefits costs of \$31 million and \$55 million of other costs, including a one-time expense related to a regulatory matter.  
(3) Reflects a goodwill impairment charge of \$8 million within Supply Chain Solutions.  
(4) Reflects other costs of \$15 million, partially offset by a reduction in other employee benefit costs of \$12 million.

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**United Parcel Service, Inc.**  
**Aircraft Fleet - As of March 31, 2024**  
(unaudited)

Description	UPS Owned and/or Operated	Charters & Leases Operated by Others	On Order	Under Option
<b>Operating:</b>				
Boeing 757-200	75	—	—	—
Boeing 767-300	78	—	21	—
Boeing 767-300BCF	6	—	—	—
Boeing 767-300BDSF	4	—	—	—
Airbus A300-600	52	—	—	—
Boeing MD-11 <sup>(1)</sup>	36	—	—	—
Boeing 747-400F	11	—	—	—
Boeing 747-400BCF	2	—	—	—
Boeing 747-8F	30	—	—	—
Other	—	255	—	—
Total	294	255	21	—

<sup>(1)</sup> Five (5) of the MD-11 aircraft shown above have been retired from operational use as of March 31, 2024. We anticipate retiring an additional four (4) of these aircraft during 2024.

