

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): July 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))

Securities registered pursuant to Section 12(b) of the Act:		
Title of Each Class	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 July 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 June 30, 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 July 23, 2024 "[UPS RELEASES 2Q 2024 EARNINGS](#)"

99.2 [Q2 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: July 23, 2024

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

## UPS RELEASES 2Q 2024 EARNINGS

- **Consolidated Revenues of \$21.8B, Compared to \$22.1B Last Year**
- **Consolidated Operating Margin of 8.9%; Adjusted\* Consolidated Operating Margin of 9.5%**
- **Diluted EPS of \$1.65; Adj. Diluted EPS of \$1.79, Compared to \$2.54 Last Year**
- **Updates Full-Year 2024 Financial Guidance; Restarts Share Repurchase Program, Targeting \$1B Annually**

ATLANTA – July 23, 2024 – UPS (NYSE:UPS) today announced second-quarter 2024 consolidated revenues of \$21.8 billion, a 1.1% decrease from the second quarter of 2023. Consolidated operating profit was \$1.9 billion, down 30.1% compared to the second quarter of 2023, and down 29.3% on an adjusted basis. Diluted earnings per share were \$1.65 for the quarter; adjusted diluted earnings per share of \$1.79 were 29.5% below the same period in 2023.

For the second quarter of 2024, GAAP results include an after-tax charge of \$120 million, or \$0.14 per diluted share, comprised of a one-time payment of \$94 million to settle an international regulatory matter, and transformation and other charges of \$26 million.

"I want to thank all UPSers for their hard work and efforts in the second quarter," said Carol Tomé, UPS chief executive officer. "This quarter was a significant turning point for our company as we returned to volume growth in the U.S., the first time in nine quarters. As expected, our operating profit declined in the first half of 2024 from what we reported last year. Going forward we expect to return to operating profit growth."

### U.S. Domestic Segment

	<u>2Q 2024</u>	<u>Adjusted 2Q 2024</u>	<u>2Q 2023</u>	<u>Adjusted 2Q 2023</u>
Revenue	\$14,119 M		\$14,396 M	
Operating profit	\$989 M	\$997 M	\$1,602 M	\$1,681 M

- Revenue decreased 1.9%, driven by a 2.6% decrease in revenue per piece due primarily to changes in product mix.
- Operating margin was 7.0%; adjusted operating margin was 7.1%.

### International Segment

	<u>2Q 2024</u>	<u>Adjusted 2Q 2024</u>	<u>2Q 2023</u>	<u>Adjusted 2Q 2023</u>
Revenue	\$4,370 M		\$4,415 M	
Operating profit	\$718 M	\$824 M	\$883 M	\$902 M

- Revenue decreased 1.0%, driven primarily by a 2.9% decrease in average daily volume.
  - Operating margin was 16.4%; adjusted operating margin was 18.9%.
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## Supply Chain Solutions<sup>1</sup>

	<u>2Q 2024</u>	<u>Adjusted 2Q 2024</u>	<u>2Q 2023</u>	<u>Adjusted 2Q 2023</u>
Revenue	\$3,329 M		\$3,244 M	
Operating profit	\$237 M	\$243 M	\$295 M	\$336 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 increased 2.6% due primarily to growth in logistics, including healthcare.
- Operating margin was 7.1%; adjusted operating margin was 7.3%.

### **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 updates its full-year, consolidated financial targets<sup>\*\*</sup>:

- Consolidated revenue expected to be approximately \$93.0 billion
- Consolidated adjusted operating margin expected to be approximately 9.4%
- Capital expenditures of approximately \$4.0 billion
- Targeting around \$500 million in share repurchases

<sup>\*</sup> "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.

<sup>\*\*</sup> Excludes the impacts of pending disposition of Coyote and announced acquisition.

### **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 Dykes will discuss second-quarter results with investors and analysts during a conference call at 8:30 a.m. ET, July 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 the anticipated benefits from acquisitions, dispositions, joint ventures or strategic alliances; the effects of

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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, 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.

#### *One-Time Payment for International Regulatory Matter*

In the second quarter of 2024, we made a 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 supplement the presentation of our 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 this payment. We believe excluding the impact of this payment, which we do not believe is a component of our ongoing operations and we do not expect to recur, better enables users of our financial statements to view and evaluate underlying business performance from the same perspective as management.

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### *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 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.

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#### *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, a one-time international regulatory matter, 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.

#### *Adjusted Cost per Piece*

We evaluate the efficiency of our operations using various metrics, including adjusted cost per piece. Adjusted cost per piece is calculated as adjusted operating expenses in a period divided by total volume for that period. Because 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.

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

Three Months Ended June 30, 2024

	As Reported (GAAP)	One-Time Int'l Regulatory Matter <sup>(1)</sup>	Transformation & Other Adj. <sup>(2)</sup>	As Adjusted (Non-GAAP)
U.S. Domestic Package	\$ 13,130	\$ —	\$ 8	\$ 13,122
International Package	3,652	88	18	3,546
Supply Chain Solutions	3,092	—	6	3,086
Operating Expense	19,874	88	32	19,754
U.S. Domestic Package	989	—	8	997
International Package	718	88	18	824
Supply Chain Solutions	237	—	6	243
Operating Profit	1,944	88	32	2,064
Other Income and (Expense):				
Other pension income (expense)	67	—	—	67
Investment income (expense) and other	70	—	—	70
Interest expense	(212)	6	—	(206)
Total Other Income (Expense)	(75)	6	—	(69)
Income Before Income Taxes	1,869	94	32	1,995
Income Tax Expense	460	—	6	466
Net Income	<u>\$ 1,409</u>	<u>\$ 94</u>	<u>\$ 26</u>	<u>\$ 1,529</u>
Basic Earnings Per Share	<u>\$ 1.65</u>	<u>\$ 0.11</u>	<u>\$ 0.03</u>	<u>\$ 1.79</u>
Diluted Earnings Per Share	<u>\$ 1.65</u>	<u>\$ 0.11</u>	<u>\$ 0.03</u>	<u>\$ 1.79</u>

(1) Reflects a one-time payment for an international regulatory matter and related interest of \$94 million.

(2) Reflects other employee benefits costs of \$20 million and \$12 million of other costs.

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

Six Months Ended June 30, 2024

	As Reported (GAAP)	One-Time Int'l Regulatory Matter <sup>(1)</sup>	Asset Impairment Charges <sup>(2)</sup>	Transformation & Other Adj. <sup>(3)</sup>	As Adjusted (Non-GAAP)
U.S. Domestic Package	\$ 26,539	\$ —	\$ 5	\$ 17	\$ 26,517
International Package	7,252	88	2	42	7,120
Supply Chain Solutions	6,176	—	41	59	6,076
Operating Expense	39,967	88	48	118	39,713
U.S. Domestic Package	1,814	—	5	17	1,836
International Package	1,374	88	2	42	1,506
Supply Chain Solutions	369	—	41	59	469
Operating Profit	3,557	88	48	118	3,811
Other Income and (Expense):					
Other pension income (expense)	134	—	—	—	134
Investment income (expense) and other	121	—	—	—	121
Interest expense	(407)	6	—	—	(401)
Total Other Income (Expense)	(152)	6	—	—	(146)
Income Before Income Taxes	3,405	94	48	118	3,665
Income Tax Expense	883	—	13	17	913
Net Income	<u>\$ 2,522</u>	<u>\$ 94</u>	<u>\$ 35</u>	<u>\$ 101</u>	<u>\$ 2,752</u>
Basic Earnings Per Share	<u>\$ 2.95</u>	<u>\$ 0.11</u>	<u>\$ 0.04</u>	<u>\$ 0.11</u>	<u>\$ 3.21</u>
Diluted Earnings Per Share	<u>\$ 2.94</u>	<u>\$ 0.11</u>	<u>\$ 0.04</u>	<u>\$ 0.12</u>	<u>\$ 3.21</u>

(1) Reflects a one-time payment for an international regulatory matter and related interest of \$94 million.

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

(3) Reflects other employee benefits costs of \$51 million and \$67 million of other costs, including a one-time expense related to a regulatory matter.

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

Six Months Ended June 30,

	<b>2024</b>
Cash flows from operating activities	\$ 5,309
Capital expenditures	(1,968)
Proceeds from disposals of property, plant and equipment	28
Other investing activities	(4)
Free Cash Flow (Non-GAAP measure)	<u>\$ 3,365</u>



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

	<b>TTM<sup>(1)</sup> Ended June 30, 2024</b>
Net income	\$ 5,254
Add back:	
Income tax expense	1,482
Interest expense	815
Depreciation & amortization	3,489
EBITDA	11,040
Add back (deduct):	
Incentive compensation program redesign	—
One-time compensation	61
Asset impairment charges	276
Transformation and other	411
Defined benefit plan (gains) and losses	359
Investment income and other pension income	(533)
One-time international regulatory matter	88
Adjusted EBITDA	\$ 11,702
Debt and finance leases, including current maturities	\$ 22,205
Add back:	
Non-current pension and postretirement benefit obligations	6,449
Adjusted total debt	\$ 28,654
Adjusted total debt/Net income	5.45
Adjusted total debt/adjusted EBITDA (Non-GAAP)	2.45

(1) Trailing twelve months.

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

		<b>TTM<sup>(1)</sup> Ended June 30, 2024</b>
Net income	\$	5,254
Add back (deduct):		
Income tax expense		1,482
Interest expense		815
Other pension (income) expense		93
Investment (income) expense and other		(267)
Operating profit	\$	7,377
Incentive compensation program redesign		—
Long-lived asset estimated residual value changes		—
One-time compensation		61
Asset impairment charges		276
Transformation and other		411
One-time international regulatory matter		88
Adjusted operating profit	\$	8,213
Average debt and finance leases, including current maturities	\$	21,484
Average pension and postretirement benefit obligations		5,542
Average shareowners' equity		18,545
Average invested capital	\$	45,571
Net income to average invested capital		11.5 %
Adjusted Return on Invested Capital (Non-GAAP)		18.0 %

(1) Trailing twelve months.

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

	Three Months Ended June 30			
	2024	2023	Change	% Change
<i>(amounts in millions, except per share data)</i>				
<b>Statement of Income Data:</b>				
Revenue:				
U.S. Domestic Package	\$ 14,119	\$ 14,396	\$ (277)	(1.9)%
International Package	4,370	4,415	(45)	(1.0)%
Supply Chain Solutions	3,329	3,244	85	2.6 %
Total revenue	<u>21,818</u>	<u>22,055</u>	<u>(237)</u>	<u>(1.1)%</u>
Operating expenses:				
U.S. Domestic Package	13,130	12,794	336	2.6 %
International Package	3,652	3,532	120	3.4 %
Supply Chain Solutions	3,092	2,949	143	4.8 %
Total operating expenses	<u>19,874</u>	<u>19,275</u>	<u>599</u>	<u>3.1 %</u>
Operating profit:				
U.S. Domestic Package	989	1,602	(613)	(38.3)%
International Package	718	883	(165)	(18.7)%
Supply Chain Solutions	237	295	(58)	(19.7)%
Total operating profit	<u>1,944</u>	<u>2,780</u>	<u>(836)</u>	<u>(30.1)%</u>
Other income (expense):				
Other pension income (expense)	67	66	1	1.5 %
Investment income (expense) and other	70	65	5	7.7 %
Interest expense	(212)	(191)	(21)	11.0 %
Total other income (expense)	<u>(75)</u>	<u>(60)</u>	<u>(15)</u>	<u>25.0 %</u>
Income before income taxes	1,869	2,720	(851)	(31.3)%
Income tax expense	460	639	(179)	(28.0)%
Net income	<u>\$ 1,409</u>	<u>\$ 2,081</u>	<u>\$ (672)</u>	<u>(32.3)%</u>
Net income as a percentage of revenue	6.5 %	9.4 %		
Per share amounts:				
Basic earnings per share	\$ 1.65	\$ 2.42	\$ (0.77)	(31.8)%
Diluted earnings per share	\$ 1.65	\$ 2.42	\$ (0.77)	(31.8)%
Weighted-average shares outstanding:				
Basic	856	860	(4)	(0.5)%
Diluted	857	861	(4)	(0.5)%
<b>As Adjusted Income Data <sup>(1)</sup>:</b>				
Operating profit:				
U.S. Domestic Package	\$ 997	\$ 1,681	\$ (684)	(40.7)%
International Package	824	902	(78)	(8.6)%
Supply Chain Solutions	243	336	(93)	(27.7)%
Total operating profit	<u>2,064</u>	<u>2,919</u>	<u>(855)</u>	<u>(29.3)%</u>
Total other income (expense)	\$ (69)	\$ (60)	\$ (9)	15.0 %
Income before income taxes	\$ 1,995	\$ 2,859	\$ (864)	(30.2)%
Net income	\$ 1,529	\$ 2,187	\$ (658)	(30.1)%
Basic earnings per share	\$ 1.79	\$ 2.54	\$ (0.75)	(29.5)%
Diluted earnings per share	\$ 1.79	\$ 2.54	\$ (0.75)	(29.5)%

(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 - Second Quarter**  
(unaudited)

Three Months Ended

June 30

	2024	2023	Change	% Change
<b>Revenue (in millions):</b>				
U.S. Domestic Package:				
Next Day Air	\$ 2,309	\$ 2,407	\$ (98)	(4.1)%
Deferred	1,107	1,169	(62)	(5.3)%
Ground	10,703	10,820	(117)	(1.1)%
Total U.S. Domestic Package	14,119	14,396	(277)	(1.9)%
International Package:				
Domestic	770	763	7	0.9 %
Export	3,437	3,468	(31)	(0.9)%
Cargo and Other	163	184	(21)	(11.4)%
Total International Package	4,370	4,415	(45)	(1.0)%
Supply Chain Solutions:				
Forwarding	1,315	1,376	(61)	(4.4)%
Logistics	1,546	1,431	115	8.0 %
Other	468	437	31	7.1 %
Total Supply Chain Solutions	3,329	3,244	85	2.6 %
Consolidated	\$ 21,818	\$ 22,055	\$ (237)	(1.1)%
Consolidated volume (in millions)	1,339	1,338	1	0.1 %
Operating weekdays	64	64	—	0.0 %
<b>Average Daily Package Volume (in thousands):</b>				
U.S. Domestic Package:				
Next Day Air	1,559	1,679	(120)	(7.1)%
Deferred	991	1,087	(96)	(8.8)%
Ground	15,314	14,974	340	2.3 %
Total U.S. Domestic Package	17,864	17,740	124	0.7 %
International Package:				
Domestic	1,485	1,554	(69)	(4.4)%
Export	1,584	1,608	(24)	(1.5)%
Total International Package	3,069	3,162	(93)	(2.9)%
Consolidated	20,933	20,902	31	0.1 %
<b>Average Revenue Per Piece:</b>				
U.S. Domestic Package:				
Next Day Air	\$ 23.14	\$ 22.40	\$ 0.74	3.3 %
Deferred	17.45	16.80	0.65	3.9 %
Ground	10.92	11.29	(0.37)	(3.3)%
Total U.S. Domestic Package	12.35	12.68	(0.33)	(2.6)%
International Package:				
Domestic	8.10	7.67	0.43	5.6 %
Export	33.90	33.70	0.20	0.6 %
Total International Package	21.42	20.91	0.51	2.4 %
Consolidated	\$ 13.68	\$ 13.92	\$ (0.24)	(1.7)%

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 - Second Quarter**  
(unaudited)

	Three Months Ended			
	June 30			
<i>(in millions)</i>	2024	2023	Change	% Change
Compensation and benefits	\$ 11,503	\$ 11,196	\$ 307	2.7 %
Repairs and maintenance	734	682	52	7.6 %
Depreciation and amortization	887	828	59	7.1 %
Purchased transportation	3,273	3,171	102	3.2 %
Fuel	1,126	1,090	36	3.3 %
Other occupancy	492	458	34	7.4 %
Other expenses	1,859	1,850	9	0.5 %
Total operating expenses	<u>\$ 19,874</u>	<u>\$ 19,275</u>	<u>\$ 599</u>	3.1 %

*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.**  
**Selected Financial Data - Year to Date**  
(unaudited)

	Six Months Ended			
	June 30			
	2024	2023	Change	% Change
<i>(amounts in millions, except per share data)</i>				
<b>Statement of Income Data:</b>				
Revenue:				
U.S. Domestic Package	\$ 28,353	\$ 29,383	\$ (1,030)	(3.5)%
International Package	8,626	8,958	(332)	(3.7)%
Supply Chain Solutions	6,545	6,639	(94)	(1.4)%
Total revenue	<u>43,524</u>	<u>44,980</u>	<u>(1,456)</u>	<u>(3.2)%</u>
Operating expenses:				
U.S. Domestic Package	26,539	26,315	224	0.9 %
International Package	7,252	7,247	5	0.1 %
Supply Chain Solutions	6,176	6,097	79	1.3 %
Total operating expenses	<u>39,967</u>	<u>39,659</u>	<u>308</u>	<u>0.8 %</u>
Operating profit:				
U.S. Domestic Package	1,814	3,068	(1,254)	(40.9)%
International Package	1,374	1,711	(337)	(19.7)%
Supply Chain Solutions	369	542	(173)	(31.9)%
Total operating profit	<u>3,557</u>	<u>5,321</u>	<u>(1,764)</u>	<u>(33.2)%</u>
Other income (expense):				
Other pension income (expense)	134	132	2	1.5 %
Investment income (expense) and other	121	168	(47)	(28.0)%
Interest expense	(407)	(379)	(28)	7.4 %
Total other income (expense)	<u>(152)</u>	<u>(79)</u>	<u>(73)</u>	<u>92.4 %</u>
Income before income taxes	3,405	5,242	(1,837)	(35.0)%
Income tax expense	883	1,266	(383)	(30.3)%
Net income	<u>\$ 2,522</u>	<u>\$ 3,976</u>	<u>\$ (1,454)</u>	<u>(36.6)%</u>
Net income as a percentage of revenue	5.8 %	8.8 %		
Per share amounts:				
Basic earnings per share	\$ 2.95	\$ 4.62	\$ (1.67)	(36.1)%
Diluted earnings per share	\$ 2.94	\$ 4.61	\$ (1.67)	(36.2)%
Weighted-average shares outstanding:				
Basic	856	861	(5)	(0.6)%
Diluted	857	863	(6)	(0.7)%
<b>As Adjusted Income Data <sup>(1)</sup>:</b>				
Operating profit:				
U.S. Domestic Package	\$ 1,836	\$ 3,169	\$ (1,333)	(42.1)%
International Package	1,506	1,708	(202)	(11.8)%
Supply Chain Solutions	469	594	(125)	(21.0)%
Total operating profit	<u>3,811</u>	<u>5,471</u>	<u>(1,660)</u>	<u>(30.3)%</u>
Total other income (expense)	\$ (146)	\$ (79)	\$ (67)	84.8 %
Income before income taxes	\$ 3,665	\$ 5,392	\$ (1,727)	(32.0)%
Net income	\$ 2,752	\$ 4,091	\$ (1,339)	(32.7)%
Basic earnings per share	\$ 3.21	\$ 4.75	\$ (1.54)	(32.4)%
Diluted earnings per share	\$ 3.21	\$ 4.74	\$ (1.53)	(32.3)%

(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 - Year to Date**  
(unaudited)

	Six Months Ended			
	June 30			
	2024	2023	Change	% Change
<b>Revenue (in millions):</b>				
U.S. Domestic Package:				
Next Day Air	\$ 4,625	\$ 4,868	\$ (243)	(5.0)%
Deferred	2,263	2,363	(100)	(4.2)%
Ground	21,465	22,152	(687)	(3.1)%
Total U.S. Domestic Package	28,353	29,383	(1,030)	(3.5)%
International Package:				
Domestic	1,528	1,557	(29)	(1.9)%
Export	6,787	7,020	(233)	(3.3)%
Cargo and Other	311	381	(70)	(18.4)%
Total International Package	8,626	8,958	(332)	(3.7)%
Supply Chain Solutions:				
Forwarding	2,595	2,890	(295)	(10.2)%
Logistics	3,088	2,841	247	8.7 %
Other	862	908	(46)	(5.1)%
Total Supply Chain Solutions	6,545	6,639	(94)	(1.4)%
Consolidated	\$ 43,524	\$ 44,980	\$ (1,456)	(3.2)%
Consolidated volume (in millions)	2,675	2,745	(70)	(2.6)%
Operating weekdays	127	128	(1)	(0.8)%
<b>Average Daily Package Volume (in thousands):</b>				
U.S. Domestic Package:				
Next Day Air	1,574	1,708	(134)	(7.8)%
Deferred	1,019	1,113	(94)	(8.4)%
Ground	15,376	15,385	(9)	(0.1)%
Total U.S. Domestic Package	17,969	18,206	(237)	(1.3)%
International Package:				
Domestic	1,494	1,594	(100)	(6.3)%
Export	1,602	1,645	(43)	(2.6)%
Total International Package	3,096	3,239	(143)	(4.4)%
Consolidated	21,065	21,445	(380)	(1.8)%
<b>Average Revenue Per Piece:</b>				
U.S. Domestic Package:				
Next Day Air	\$ 23.14	\$ 22.27	\$ 0.87	3.9 %
Deferred	17.49	16.59	0.90	5.4 %
Ground	10.99	11.25	(0.26)	(2.3)%
Total U.S. Domestic Package	12.42	12.61	(0.19)	(1.5)%
International Package:				
Domestic	8.05	7.63	0.42	5.5 %
Export	33.36	33.34	0.02	0.1 %
Total International Package	21.15	20.69	0.46	2.2 %
Consolidated	\$ 13.71	\$ 13.83	\$ (0.12)	(0.9)%

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 - Year to Date**  
(unaudited)

	Six Months Ended			
	June 30			
<i>(in millions)</i>	2024	2023	Change	% Change
Compensation and benefits	\$ 23,142	\$ 22,660	\$ 482	2.1 %
Repairs and maintenance	1,452	1,407	45	3.2 %
Depreciation and amortization	1,785	1,662	123	7.4 %
Purchased transportation	6,519	6,712	(193)	(2.9) %
Fuel	2,186	2,361	(175)	(7.4) %
Other occupancy	1,056	1,009	47	4.7 %
Other expenses	3,827	3,848	(21)	(0.5) %
Total operating expenses	<u>\$ 39,967</u>	<u>\$ 39,659</u>	<u>\$ 308</u>	0.8 %

*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**  
**June 30, 2024 (unaudited) and December 31, 2023**

	June 30, 2024	December 31, 2023
<i>(amounts in millions)</i>		
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 6,319	\$ 3,206
Marketable securities	213	2,866
Accounts receivable	9,174	11,342
Less: Allowance for credit losses	(126)	(126)
Accounts receivable, net	9,048	11,216
Assets Held for Sale	1,183	—
Other current assets	2,060	2,125
Total Current Assets	18,823	19,413
Property, Plant and Equipment, Net	37,129	36,945
Operating Lease Right-Of-Use Assets	4,088	4,308
Goodwill	4,350	4,872
Intangible Assets, Net	3,106	3,305
Deferred Income Tax Assets	123	126
Other Non-Current Assets	1,799	1,888
Total Assets	\$ 69,418	\$ 70,857
<b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt, commercial paper and finance leases	\$ 2,008	\$ 3,348
Current maturities of operating leases	683	709
Accounts payable	5,299	6,340
Accrued wages and withholdings	3,308	3,224
Self-insurance reserves	1,273	1,320
Accrued group welfare and retirement plan contributions	1,202	1,479
Liabilities to be disposed of	373	—
Other current liabilities	939	1,256
Total Current Liabilities	15,085	17,676
Long-Term Debt and Finance Leases	20,197	18,916
Non-Current Operating Leases	3,561	3,756
Pension and Postretirement Benefit Obligations	6,449	6,159
Deferred Income Tax Liabilities	3,841	3,772
Other Non-Current Liabilities	3,232	3,264
Shareowners' Equity:		
Class A common stock	2	2
Class B common stock	7	7
Additional paid-in capital	63	—
Retained earnings	20,765	21,055
Accumulated other comprehensive loss	(3,807)	(3,758)
Deferred compensation obligations	6	9
Less: Treasury stock	(6)	(9)
Total Equity for Controlling Interests	17,030	17,306
Noncontrolling interests	23	8
Total Shareowners' Equity	17,053	17,314
Total Liabilities and Shareowners' Equity	\$ 69,418	\$ 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)

	Six Months Ended	
	June 30	
	2024	2023
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 2,522	\$ 3,976
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	1,785	1,662
Pension and postretirement benefit expense	518	486
Pension and postretirement benefit contributions	(150)	(1,328)
Self-insurance reserves	(39)	64
Deferred tax (benefit) expense	72	168
Stock compensation expense	3	165
Other (gains) losses	166	(19)
Changes in assets and liabilities, net of effects of business acquisitions:		
Accounts receivable	1,526	2,898
Other assets	73	187
Accounts payable	(685)	(1,921)
Accrued wages and withholdings	137	(535)
Other liabilities	(619)	(132)
Other operating activities	—	(77)
Net cash from operating activities	<u>5,309</u>	<u>5,594</u>
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(1,968)	(1,820)
Proceeds from disposal of businesses, property, plant and equipment	28	50
Purchases of marketable securities	(52)	(2,970)
Sales and maturities of marketable securities	2,715	1,903
Acquisitions, net of cash acquired	(66)	(34)
Other investing activities	(4)	12
Net cash from (used in) investing activities	<u>653</u>	<u>(2,859)</u>
<b>Cash Flows From Financing Activities:</b>		
Net change in short-term debt	(1,272)	—
Proceeds from long-term borrowings	2,785	2,503
Repayments of long-term borrowings	(1,508)	(1,596)
Purchases of common stock	—	(1,498)
Issuances of common stock	131	119
Dividends	(2,701)	(2,693)
Other financing activities	(202)	(417)
Net cash used in financing activities	<u>(2,767)</u>	<u>(3,582)</u>
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	<u>(72)</u>	<u>57</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	3,123	(790)
<b>Cash, Cash Equivalents and Restricted Cash:</b>		
Beginning of period	3,206	5,602
End of period	<u>\$ 6,329</u>	<u>\$ 4,812</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)

	Six Months Ended	
	June 30	
	2024	2023
Cash flows from operating activities	\$ 5,309	\$ 5,594
Capital expenditures	(1,968)	(1,820)
Proceeds from disposals of property, plant and equipment	28	50
Other investing activities	(4)	12
Free Cash Flow (Non-GAAP measure)	<u>\$ 3,365</u>	<u>\$ 3,836</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 June 30, 2024	TTM <sup>(1)</sup> Ended June 30, 2023
Net income	\$ 5,254	\$ 10,013
Add back:		
Income tax expense	1,482	2,965
Interest expense	815	738
Depreciation & amortization	3,489	3,324
EBITDA	11,040	17,040
Add back (deduct):		
Incentive compensation program redesign	—	505
One-time compensation	61	—
Asset impairment charges	276	8
Transformation and other	411	224
Defined benefit plan (gains) and losses	359	(1,028)
Investment income and other pension income	(533)	(1,059)
One-time international regulatory matter	88	—
Adjusted EBITDA	\$ 11,702	\$ 15,690
Debt and finance leases, including current maturities	\$ 22,205	\$ 20,763
Add back:		
Non-current pension and postretirement benefit obligations	6,449	4,635
Adjusted total debt	\$ 28,654	\$ 25,398
Adjusted total debt/Net income	5.45	2.54
Adjusted total debt/adjusted EBITDA (Non-GAAP)	2.45	1.62

(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 June 30, 2024	TTM <sup>(1)</sup> Ended June 30, 2023
Net income	\$ 5,254	\$ 10,013
Add back (deduct):		
Income tax expense	1,482	2,965
Interest expense	815	738
Other pension (income) expense	93	(1,754)
Investment (income) expense and other	(267)	(333)
Operating profit	\$ 7,377	\$ 11,629
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	411	224
One-time international regulatory matter	88	—
Adjusted operating profit	\$ 8,213	\$ 12,442
Average debt and finance leases, including current maturities	\$ 21,484	\$ 20,670
Average pension and postretirement benefit obligations	5,542	6,489
Average shareowners' equity	18,545	18,174
Average invested capital	\$ 45,571	\$ 45,333
Net income to average invested capital	11.5 %	22.1 %
Adjusted Return on Invested Capital (Non-GAAP)	18.0 %	27.4 %

(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 June 30,

(in millions, except operating days, average daily volume and per share and per piece data)

	2024				2023				% Change As Rep. (GAAP)	% Change As Adj. (Non-GAAP)
	As Reported (GAAP)	One-Time Int'l Regulatory Matter <sup>(1)</sup>	Transformation & Other Adj. <sup>(2)</sup>	As Adjusted (Non-GAAP)	As Reported (GAAP)	Transformation & Other Adj. <sup>(2)</sup>	As Adjusted (Non-GAAP)			
Operating Days	64				64					
Average Daily Volume (in thousands)										
U.S. Domestic Package	17,864				17,740					
U.S. Domestic Package	\$ 13,130	\$ —	\$ 8	\$ 13,122	\$ 12,794	\$ 79	\$ 12,715	2.6 %	3.2 %	
International Package	3,652	88	18	3,546	3,532	19	3,513	3.4 %	0.9 %	
Supply Chain Solutions	3,092	—	6	3,086	2,949	41	2,908	4.8 %	6.1 %	
Operating expense	19,874	88	32	19,754	19,275	139	19,136	3.1 %	3.2 %	
Cost per Piece										
U.S. Domestic Package	11.48			11.48	11.27		11.20	1.9 %	2.5 %	
U.S. Domestic Package	989	—	8	997	1,602	79	1,681	(38.3)%	(40.7)%	
International Package	718	88	18	824	883	19	902	(18.7)%	(8.6)%	
Supply Chain Solutions	237	—	6	243	295	41	336	(19.7)%	(27.7)%	
Operating Profit	1,944	88	32	2,064	2,780	139	2,919	(30.1)%	(29.3)%	
Other Income and (Expense):										
Other pension income (expense)	67	—	—	67	66	—	66	1.5 %	1.5 %	
Investment income (expense) and other	70	—	—	70	65	—	65	7.7 %	7.7 %	
Interest expense	(212)	6	—	(206)	(191)	—	(191)	11.0 %	7.9 %	
Total Other Income (Expense)	(75)	6	—	(69)	(60)	—	(60)	25.0 %	15.0 %	
Income Before Income Taxes	1,869	94	32	1,995	2,720	139	2,859	(31.3)%	(30.2)%	
Income Tax Expense	460	—	6	466	639	33	672	(28.0)%	(30.7)%	
Net Income	\$ 1,409	\$ 94	\$ 26	\$ 1,529	\$ 2,081	\$ 106	\$ 2,187	(32.3)%	(30.1)%	
Basic Earnings Per Share	\$ 1.65	\$ 0.11	\$ 0.03	\$ 1.79	\$ 2.42	\$ 0.12	\$ 2.54	(31.8)%	(29.5)%	
Diluted Earnings Per Share	\$ 1.65	\$ 0.11	\$ 0.03	\$ 1.79	\$ 2.42	\$ 0.12	\$ 2.54	(31.8)%	(29.5)%	
Weighted-average shares outstanding:										
Basic	856				860					
Diluted	857				861					

- (1) Reflects a one-time payment for an international regulatory matter and related interest of \$94 million.  
(2) Reflects other employee benefits costs of \$20 million and \$12 million of other costs, including a one-time expense related to a regulatory matter.  
(3) Reflects other employee benefits costs of \$109 million and other costs of \$30 million.

Prior year amounts may have been reclassified to conform to the current year presentation. Certain amounts are calculated based on unrounded numbers. Earnings Per Share amounts disclosed above may not cross-foot due to calculations based on unrounded numbers.

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

Six Months Ended June 30,

(in millions, except operating days, average daily volume and per share and per piece data)

	2024				2023				% Change As Rep. (GAAP)	% Change As Adj. (Non-GAAP)	
	As Reported (GAAP)	One-Time Int'l Regulatory Matter <sup>(1)</sup>	Asset Impairment Charges <sup>(2)</sup>	Transformation & Other Adj. <sup>(3)</sup>	As Adjusted (Non-GAAP)	As Reported (GAAP)	Asset Impairment Charges <sup>(4)</sup>	Transformation & Other Adj. <sup>(5)</sup>			As Adjusted (Non-GAAP)
Operating Days	127					128					
Average Daily Volume (in thousands)											
U.S. Domestic Package	17,969					18,206					
U.S. Domestic Package	\$ 26,539	\$ —	\$ 5	\$ 17	\$ 26,517	\$ 26,315	\$ —	\$ 101	\$ 26,214	0.9 %	1.2 %
International Package	7,252	88	2	42	7,120	7,247	—	(3)	7,250	0.1 %	(1.8)%
Supply Chain Solutions	6,176	—	41	59	6,076	6,097	8	44	6,045	1.3 %	0.5 %
Operating expense	39,967	88	48	118	39,713	39,659	8	142	39,509	0.8 %	0.5 %
Cost per Piece											
U.S. Domestic Package	11.63				11.62	11.29			11.25	3.0 %	3.3 %
U.S. Domestic Package	1,814	—	5	17	1,836	3,068	—	101	3,169	(40.9)%	(42.1)%
International Package	1,374	88	2	42	1,506	1,711	—	(3)	1,708	(19.7)%	(11.8)%
Supply Chain Solutions	369	—	41	59	469	542	8	44	594	(31.9)%	(21.0)%
Operating Profit	3,557	88	48	118	3,811	5,321	8	142	5,471	(33.2)%	(30.3)%
Other Income and (Expense):											
Other pension income (expense)	134	—	—	—	134	132	—	—	132	1.5 %	1.5 %
Investment income (expense) and other	121	—	—	—	121	168	—	—	168	(28.0)%	(28.0)%
Interest expense	(407)	6	—	—	(401)	(379)	—	—	(379)	7.4 %	5.8 %
Total Other Income (Expense)	(152)	6	—	—	(146)	(79)	—	—	(79)	92.4 %	84.8 %
Income Before Income Taxes	3,405	94	48	118	3,665	5,242	8	142	5,392	(35.0)%	(32.0)%
Income Tax Expense	883	—	13	17	913	1,266	2	33	1,301	(30.3)%	(29.8)%
Net Income	\$ 2,522	\$ 94	\$ 35	\$ 101	\$ 2,752	\$ 3,976	\$ 6	\$ 109	\$ 4,091	(36.6)%	(32.7)%
Basic Earnings Per Share	\$ 2.95	\$ 0.11	\$ 0.04	\$ 0.11	\$ 3.21	\$ 4.62	\$ 0.01	\$ 0.12	\$ 4.75	(36.1)%	(32.4)%
Diluted Earnings Per Share	\$ 2.94	\$ 0.11	\$ 0.04	\$ 0.12	\$ 3.21	\$ 4.61	\$ 0.01	\$ 0.12	\$ 4.74	(36.2)%	(32.3)%
Weighted-average shares outstanding:											
Basic	856					861					
Diluted	857					863					

- (1) Reflects a one-time payment for an international regulatory matter and related interest of \$94 million.
- (2) Reflects impairment charges of \$41 million for acquired trade names within Supply Chain Solutions and \$7 million for software licenses.
- (3) Reflects other employee benefits costs of \$51 million and \$67 million of other costs, including a one-time expense related to a regulatory matter.
- (4) Reflects a goodwill impairment charge of \$8 million within Supply Chain Solutions.
- (5) Reflects other employee benefit benefits costs of \$97 million and other costs of \$45 million.

Prior year amounts may have been reclassified to conform to the current year presentation. Certain amounts are calculated based on unrounded numbers. Earnings Per Share amounts disclosed above may not cross-foot due to calculations based on unrounded numbers.

**United Parcel Service, Inc.**  
**Aircraft Fleet - As of June 30, 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	80	—	19	—
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	—	253	—	—
Total	296	253	19	—

(1) Seven (7) of the MD-11 aircraft shown above have been retired from operational use as of June 30, 2024. We do not anticipate retiring any additional MD-11 aircraft in 2024.

