

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 29, 2025



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 to 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 29, 2025, 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, 2025. 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 June 30, 2025 "[UPS RELEASES 2Q 2025 EARNINGS](#)"

99.2 [Q2 2025 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 29, 2025

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

## UPS RELEASES 2Q 2025 EARNINGS

- **Consolidated Revenues of \$21.2B**
- **Consolidated Operating Margin of 8.6%; Non-GAAP Adjusted Consolidated Operating Margin of 8.8%**
- **Diluted EPS of \$1.51; Non-GAAP Adj. Diluted EPS of \$1.55**
- **On Track With Full-Year Savings Target From Network Reconfiguration and Efficiency Reimagined Initiatives**

ATLANTA – July 29, 2025 – UPS (NYSE:UPS) today announced second-quarter 2025 consolidated revenues of \$21.2 billion. Consolidated operating profit was \$1.8 billion; \$1.9 billion on a non-GAAP adjusted basis. Diluted earnings per share were \$1.51 for the quarter; non-GAAP adjusted diluted earnings per share were \$1.55.

For the second quarter of 2025, GAAP results include a net charge of \$29 million, or \$0.04 per diluted share, comprised of after-tax transformation strategy costs of \$57 million, partially offset by a \$15 million gain from the divestiture of a business within Supply Chain Solutions and a \$13 million benefit from the partial reversal of an income tax valuation allowance.

I want to thank all UPSers for their dedication and hard work in what continues to be a dynamic and evolving trade environment,” said Carol Tomé, UPS chief executive officer. “Our second quarter results reflect both the complexity of the landscape and the strength of our execution. We are making meaningful progress on our strategic initiatives, and we’re confident these actions are positioning the company for stronger long-term financial performance and enhanced competitive advantage.”

### U.S. Domestic Segment†

	<u>2Q 2025</u>	<u>Non-GAAP Adjusted 2Q 2025</u>	<u>2Q 2024</u>	<u>Non-GAAP Adjusted 2Q 2024</u>
Revenue	\$14,083 M		\$14,201 M	
Operating profit	\$916 M	\$982 M	\$988 M	\$996 M

- Revenue declined 0.8%, primarily driven by the expected decline in volume, partially offset by increases in air cargo and revenue per piece.
- Operating margin was 6.5%; non-GAAP adjusted operating margin was 7.0%.

### International Segment

	<u>2Q 2025</u>	<u>Non-GAAP Adjusted 2Q 2025</u>	<u>2Q 2024</u>	<u>Non-GAAP Adjusted 2Q 2024</u>
Revenue	\$4,485 M		\$4,370 M	
Operating profit	\$672 M	\$682 M	\$718 M	\$824 M

- Revenue increased 2.6%, driven by a 3.9% increase in average daily volume.
- Operating margin was 15.0%; non-GAAP adjusted operating margin was 15.2%.

Supply Chain Solutions<sup>†</sup>

	<u>2Q 2025</u>	<u>Non-GAAP Adjusted 2Q 2025</u>	<u>2Q 2024</u>	<u>Non-GAAP Adjusted 2Q 2024</u>
Revenue	\$2,653 M		\$3,247 M	
Operating profit	\$234 M	\$212 M	\$238 M	\$244 M

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

- Revenue declined 18.3%, primarily due to the impact from the third quarter 2024 divestiture of Coyote.
- Operating margin was 8.8%; non-GAAP adjusted operating margin was 8.0%.

**2025 Outlook**

Given the current macro-economic uncertainty, the company is not providing revenue or operating profit guidance, but confirms the following for the full year 2025:

- Capital expenditures of approximately \$3.5 billion
- Dividend payments expected to be around \$5.5 billion, subject to Board approval
- Effective tax rate of approximately 23.5%
- \$1.4 billion in pension contributions (of which \$921 million have been made)
- Share repurchases of around \$1.0 billion, which have been completed
- \$3.5 billion in expected expense reductions due to its network reconfiguration and Efficiency Reimagined initiatives

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

<sup>†</sup> Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.

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 29, 2025. That call will be open to others through a live Webcast. To access the call, go to the UPS Investor Relations page 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 2024 revenue of \$91.1 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 490,000 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. 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, 2024 and our other filings with the Securities and Exchange Commission contain and in the future may contain “forward-looking statements”. Statements other than those of current or historical fact, and all statements accompanied by terms such as “will,” “believe,” “project,” “expect,” “estimate,” “assume,” “intend,” “anticipate,” “target,” “plan,” and similar terms, are intended to be forward-looking statements.

From time to time, we also include written or oral forward-looking statements in other publicly disclosed materials. 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, including as a result of changes in the global trade policy and new or increased tariffs; 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

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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, 2024, 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.

The Company routinely posts important information, including news releases, announcements, materials provided or displayed at analyst or investor conferences, and other statements about its business and results of operations, that may be deemed material to investors on the Company's Investors Relations website at [www.investors.ups.com](http://www.investors.ups.com). The Company uses its website as a means of disclosing material, nonpublic information and for complying with the Company's disclosure obligations under Regulation FD. Investors should monitor the Company's Investor Relations website in addition to following the Company's press releases, filings with the SEC, public conference calls and webcasts. We do not incorporate the contents of any website into this or any other report we file with the SEC.

### **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 Measures*

From time to time when presenting forward-looking non-GAAP adjusted financial measures, 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.

#### *Expense for Regulatory Matter*

We supplement our presentation with non-GAAP adjusted financial measures that exclude the impact of an expense to settle a regulatory matter. We do not believe this is a component of our ongoing operations and we do not expect this or similar payments to recur.

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

We supplement our presentation with non-GAAP adjusted financial measures that exclude the impact of a payment to settle a previously-disclosed international tax regulatory matter. We do not believe this payment was a component of our ongoing operations and we do not expect this or similar payments to recur.

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## *Transformation Strategy Costs*

We supplement our presentation with non-GAAP adjusted financial measures that exclude the impact of charges related to activities within our transformation strategy. Our transformation strategy activities have spanned several years and are designed to fundamentally change the spans and layers of our organization structure, processes, technologies and the composition of our business portfolio. Our transformation strategy includes initiatives within our Transformation 2.0, Fit to Serve, and *Network Reconfiguration and Efficiency Reimagined* programs.

Various circumstances have precipitated these initiatives, including 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.

Our transformation strategy has included the following programs and initiatives:

**Transformation 2.0:** We identified opportunities to reduce spans and layers of management, began a review of our business portfolio and identified opportunities to invest in certain technologies, including financial reporting and certain schedule, time and pay systems, to reduce global indirect operating costs, provide better visibility, and reduce reliance on legacy systems and coding languages. Costs associated with Transformation 2.0 have primarily consisted of compensation and benefit costs related to reductions in our workforce and fees paid to third-party consultants. We expect any remaining costs to be incurred during 2025.

**Fit to Serve:** We undertook our Fit to Serve initiative with the intent to right-size our business to create a more efficient operating model that was more responsive to market dynamics through a workforce reduction of approximately 14,000 positions, primarily within management. Fit to Serve is expected to conclude in 2025.

***Network Reconfiguration and Efficiency Reimagined:*** Our Network of the Future initiative is intended to enhance the efficiency of our network through automation and operational sort consolidation in our U.S. Domestic network. In connection with our anticipation of lower volumes from our largest customer, we began our *Network Reconfiguration*, which is an expansion of Network of the Future and will lead to consolidations of our facilities and workforce as well as an end-to-end process redesign. We launched our *Efficiency Reimagined* initiatives to undertake the end-to-end process redesign effort which will align our organizational processes to the network reconfiguration. We expect to reduce our operational workforce by approximately 20,000 positions during 2025. We closed daily operations at 74 leased and owned buildings by June 30. We continue to review expected changes in volume in our integrated air and ground network to identify additional buildings for closure. We anticipate \$3.5 billion of total cost savings will be achieved from *Network Reconfiguration and Efficiency Reimagined* in 2025.

In connection with the *Network Reconfiguration and Efficiency Reimagined* programs described above, we expect to record between \$400 and \$650 million in non-GAAP adjusted expense during 2025, related primarily to third-party consulting fees, employee separation benefits, and certain programmatic expenses. We expect the costs associated with these actions may increase should we determine to close additional buildings. In addition, we believe that workforce reductions may require a remeasurement of defined benefit plan benefit obligations and assets during 2025. We are not yet able to estimate the timing or potential impact of such an event.

We do not consider the related costs to be ordinary because each program involves separate and distinct activities that may span multiple periods and are not expected to drive incremental revenue, and because the scope of the programs exceeds that of routine, ongoing efforts to enhance profitability. These initiatives are in addition to ordinary, ongoing efforts to enhance business performance.

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### *Goodwill and Asset Impairments*

We supplement our presentation with non-GAAP adjusted financial measures that exclude the impact of goodwill and certain asset impairment charges, including impairments of long-lived assets and equity method investments. 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 our presentation with non-GAAP adjusted financial measures that exclude the impact of gains (or losses) related to the divestiture of businesses. We do not consider these transactions to be a component of our ongoing operations, nor when evaluating the operating performance of our business units, making decisions to allocate resources or in determining incentive compensation awards.

### *Reversal of Income Tax Valuation Allowance*

We previously recorded non-GAAP adjustments for transactions that resulted in capital loss deferred tax assets not expected to be realized. We now expect a portion of these capital losses to be realized in future periods. We supplement our presentation with non-GAAP adjusted financial measures that exclude the impact of subsequent changes in the valuation allowances against these deferred tax assets as we believe such treatment is consistent with how the valuation allowance was initially established.

### *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.

### *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.

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

**Three Months Ended**  
**June 30,**

<i>(amounts in millions)</i>		<b>2025</b>	
<b>Operating Profit (GAAP)</b>	<b>\$</b>	<b>1,822</b>	
Transformation Strategy Costs:			
<i>Transformation 2.0</i>			
<i>Business portfolio review</i>		(18)	
<i>Financial systems</i>		15	
<i>Transformation 2.0 total</i>		(3)	
<i>Fit to Serve</i>		9	
<i>Network Reconfiguration and Efficiency Reimagined</i>		68	
Total Transformation Strategy Costs		74	
Gain on Divestiture <sup>(1)</sup>		(20)	
Non-GAAP Adjusted Operating Profit	<b>\$</b>	<b>1,876</b>	

		<b>2025</b>	
<b>Operating Margin (GAAP)</b>		<b>8.6 %</b>	
Transformation Strategy Costs:			
<i>Transformation 2.0</i>			
<i>Business portfolio review</i>		(0.1)%	
<i>Financial systems</i>		0.1 %	
<i>Transformation 2.0 total</i>		— %	
<i>Fit to Serve</i>		— %	
<i>Network Reconfiguration and Efficiency Reimagined</i>		0.3 %	
Total Transformation Strategy Costs		0.3 %	
Gain on Divestiture <sup>(1)</sup>		(0.1)%	
Non-GAAP Adjusted Operating Margin		<b>8.8 %</b>	

(1) Reflects pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.

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

**Three Months Ended**  
**June 30,**

<i>(amounts in millions)</i>		<b>2025</b>
<b>Income Tax Expense (GAAP)</b>	<b>\$</b>	<b>379</b>
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review		(5)
Financial systems		4
Transformation 2.0 total		(1)
Fit to Serve		2
Network Reconfiguration and Efficiency Reimagined		16
Total Transformation Strategy Costs		17
Gain on Divestiture <sup>(1)</sup>		(5)
Reversal of Income Tax Valuation Allowance <sup>(2)</sup>		13
Non-GAAP Adjusted Income Tax Expense	<b>\$</b>	<b>404</b>

(1) Reflects pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.

(2) Reflects the partial reversal of an income tax valuation allowance.

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

**Three Months Ended**  
**June 30,**

(amounts in millions)		2025			2025		
Net Income (GAAP)		\$	1,283	Diluted Earnings Per Share (GAAP)		\$	1.51
Transformation Strategy Costs:				Transformation Strategy Costs:			
Transformation 2.0				Transformation 2.0			
Business portfolio review		(13)		Business portfolio review		(0.01)	
Financial systems		11		Financial systems		0.01	
Transformation 2.0 total		(2)		Transformation 2.0 total		—	
Fit to Serve		7		Fit to Serve		0.01	
Network Reconfiguration and Efficiency Reimagined		52		Network Reconfiguration and Efficiency Reimagined		0.07	
Total Transformation Strategy Costs		57		Total Transformation Strategy Costs		0.08	
Gain on Divestiture <sup>(1)</sup>		(15)		Gain on Divestiture <sup>(1)</sup>		(0.02)	
Reversal of Income Tax Valuation Allowance <sup>(2)</sup>		(13)		Reversal of Income Tax Valuation Allowance <sup>(2)</sup>		(0.02)	
Non-GAAP Adjusted Net Income		\$	1,312	Non-GAAP Adjusted Diluted Earnings Per Share		\$	1.55

(1) Reflects pre-tax gain of \$20 million and related tax effect on the divestiture of a business within Supply Chain Solutions.

(2) Reflects the partial reversal of an income tax valuation allowance.

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

**Three Months Ended**  
**June 30,**

<i>(amounts in millions)</i>		2024			2024		
<b>Operating Profit (GAAP)</b>		\$	1,944	<b>Diluted Earnings Per Share (GAAP)</b>		\$	1.65
Transformation Strategy Costs:				Transformation Strategy Costs:			
<i>Transformation 2.0</i>				<i>Transformation 2.0</i>			
<i>Business portfolio review</i>			(10)	<i>Business portfolio review</i>			(0.01)
<i>Financial systems</i>			13	<i>Financial systems</i>			0.01
<i>Transformation 2.0 total</i>			3	<i>Transformation 2.0 total</i>			—
<i>Fit to Serve</i>			24	<i>Fit to Serve</i>			0.02
Total Transformation Strategy Costs			27	Total Transformation Strategy Costs			0.02
One-Time Payment for Int'l Regulatory Matter <sup>(1)</sup>			88	One-Time Payment for Int'l Regulatory Matter <sup>(1)</sup>			0.11
Expense for Regulatory Matter <sup>(2)</sup>			5	Expense for Regulatory Matter <sup>(2)</sup>			0.01
Non-GAAP Adjusted Operating Profit		\$	2,064	Non-GAAP Adjusted Diluted Earnings Per Share		\$	1.79

(1) Reflects a one-time payment for an international regulatory matter of \$88 million and related interest of \$6 million.

(2) Reflects expense related to the settlement of a regulatory matter.

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

Three Months Ended June 30,								
	2025	2024		2025	2024		2025	2024
U.S. Domestic Package	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 13,167	\$ 13,213	(0.3)%	\$ 916	\$ 988	(7.3)%	6.5 %	7.0 %
Adjusted for:								
Transformation Strategy Costs	(66)	(8)		66	8		0.5 %	— %
Non-GAAP Adjusted Measure	\$ 13,101	\$ 13,205	(0.8)%	\$ 982	\$ 996	(1.4)%	7.0 %	7.0 %
International Package	Operating Expenses	2024	% Change	Operating Profit	2024	% Change	Operating Margin	2024
GAAP	\$ 3,813	\$ 3,652	4.4 %	\$ 672	\$ 718	(6.4)%	15.0 %	16.4 %
Adjusted for:								
Transformation Strategy Costs	(10)	(18)		10	18		0.2 %	0.4 %
One-Time Int'l Regulatory Matter	—	(88)		—	88		— %	2.1 %
Non-GAAP Adjusted Measure	\$ 3,803	\$ 3,546	7.2 %	\$ 682	\$ 824	(17.2)%	15.2 %	18.9 %
Supply Chain Solutions	Operating Expenses	2024	% Change	Operating Profit	2024	% Change	Operating Margin	2024
GAAP	\$ 2,419	\$ 3,009	(19.6)%	\$ 234	\$ 238	(1.7)%	8.8 %	7.3 %
Adjusted for:								
Transformation Strategy Costs	2	(1)		(2)	1		(0.1)%	— %
Gain on Divestiture	20	—		(20)	—		(0.7)%	— %
Expense for Regulatory Matter	—	(5)		—	5		— %	0.2 %
Non-GAAP Adjusted Measure	\$ 2,441	\$ 3,003	(18.7)%	\$ 212	\$ 244	(13.1)%	8.0 %	7.5 %

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

**Six Months Ended**  
**June 30**

<i>(amounts in millions)</i>	<b>2025</b>		<b>2025</b>
<b>Operating Profit (GAAP)</b>	<b>\$ 3,488</b>	<b>Operating Margin (GAAP)</b>	<b>8.2 %</b>
Transformation Strategy Costs:		Transformation Strategy Costs:	
<i>Transformation 2.0</i>		<i>Transformation 2.0</i>	
<i>Business portfolio review</i>	(18)	<i>Business portfolio review</i>	(0.1) %
<i>Financial systems</i>	31	<i>Financial systems</i>	0.1 %
<i>Transformation 2.0 total</i>	13	<i>Transformation 2.0 total</i>	— %
<i>Fit to Serve</i>	28	<i>Fit to Serve</i>	0.1 %
<i>Network Redesign and Efficiency Reimagined</i>	91	<i>Network Redesign and Efficiency Reimagined</i>	0.2 %
<i>Total Transformation Strategy Costs</i>	132	<i>Total Transformation Strategy Costs</i>	0.3 %
Gain on Divestiture <sup>(1)</sup>	(20)	Gain on Divestiture <sup>(1)</sup>	(0.1) %
Goodwill and Asset Impairment Charges <sup>(2)</sup>	39	Goodwill and Asset Impairment Charges <sup>(2)</sup>	0.1 %
Non-GAAP Adjusted Operating Profit	<b>\$ 3,639</b>	Non-GAAP Adjusted Operating Margin	<b>8.5 %</b>

<i>(amounts in millions)</i>	<b>2025</b>
<b>Other Income (Expense) (GAAP)</b>	<b>\$ (303)</b>
Goodwill and Asset Impairment Charges <sup>(2)</sup>	19
Non-GAAP Adjusted Other Income (Expense)	<b>\$ (284)</b>

(1) Reflects a pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.  
(2) Reflects impairment charges for long-lived assets and related tax effect charges for a business within Supply Chain Solutions and the write-down of an equity investment in 2025.

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

**Six Months Ended**  
**June 30**

<i>(amounts in millions)</i>		<b>2025</b>
<b>Income Tax Expense (GAAP)</b>	<b>\$</b>	<b>715</b>
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>		(5)
<i>Financial systems</i>		8
<i>Transformation 2.0 total</i>		3
<i>Fit to Serve</i>		6
<i>Network Redesign and Efficiency Reimagined</i>		22
<i>Total Transformation Strategy Costs</i>		31
Gain on Divestiture <sup>(1)</sup>		(5)
Goodwill and Asset Impairment Charges <sup>(2)</sup>		9
Reversal of Income Tax Valuation Allowance <sup>(3)</sup>		23
<b>Non-GAAP Adjusted Income Tax Expense</b>	<b>\$</b>	<b>773</b>

(1) Reflects a pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.

(2) Reflects impairment charges for long-lived assets and related tax effect charges for a business within Supply Chain Solutions and the write-down of an equity investment in 2025.

(3) Reflects the partial reversal of an income tax valuation allowance.



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

**Six Months Ended**  
**June 30**

(amounts in millions)		2025
Net Income (GAAP)		\$ 2,470
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	(13)	
Financial systems	23	
Transformation 2.0 total		10
Fit to Serve		22
Network Redesign and Efficiency Reimagined		69
Total Transformation Strategy Costs		101
Gain on Divestiture <sup>(1)</sup>		(15)
Goodwill and Asset Impairment Charges <sup>(2)</sup>		49
Reversal of Income Tax Valuation Allowance <sup>(3)</sup>		(23)
Non-GAAP Adjusted Net Income		\$ 2,582

		2025
Diluted Earnings Per Share (GAAP)		\$ 2.91
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	(0.02)	
Financial systems	0.03	
Transformation 2.0 total		0.01
Fit to Serve		0.03
Network Redesign and Efficiency Reimagined		0.08
Total Transformation Strategy Costs		0.12
Gain on Divestiture <sup>(1)</sup>		(0.02)
Goodwill and Asset Impairment Charges <sup>(2)</sup>		0.06
Reversal of Income Tax Valuation Allowance <sup>(3)</sup>		(0.03)
Non-GAAP Adjusted Diluted Earnings Per Share		\$ 3.04

(1) Reflects a pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.

(2) Reflects impairment charges for long-lived assets and related tax effect charges for a business within Supply Chain Solutions and the write-down of an equity investment in 2025.

(3) Reflects the partial reversal of an income tax valuation allowance.

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

Six Months Ended June 30								
	2025	2024		2025	2024		2025	2024
U.S. Domestic Package	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 26,648	\$ 26,646	— %	\$ 1,895	\$ 1,821	4.1 %	6.6 %	6.4 %
Adjusted for:								
Transformation Strategy Costs	(98)	(17)		98	17		0.4 %	0.1 %
Goodwill and Asset Impairment Charges	—	(5)		—	5		— %	— %
Non-GAAP Adjusted Measure	\$ 26,550	\$ 26,624	(0.3) %	\$ 1,993	\$ 1,843	8.1 %	7.0 %	6.5 %
	2025	2024		2025	2024		2025	2024
International Package	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 7,545	\$ 7,252	4.0 %	\$ 1,313	\$ 1,374	(4.4) %	14.8 %	15.9 %
Adjusted for:								
Transformation Strategy Costs	(23)	(42)		23	42		0.3 %	0.6 %
Goodwill and Asset Impairment Charges	—	(2)		—	2		— %	— %
One-Time Int'l Regulatory Matter	—	(88)		—	88		— %	1.0 %
Non-GAAP Adjusted Measure	\$ 7,522	\$ 7,120	5.6 %	\$ 1,336	\$ 1,506	(11.3) %	15.1 %	17.5 %
	2025	2024		2025	2024		2025	2024
Supply Chain Solutions	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 5,086	\$ 6,069	(16.2) %	\$ 280	\$ 362	(22.7) %	5.2 %	5.6 %
Adjusted for:								
Transformation Strategy Costs	(11)	(14)		11	14		0.2 %	0.2 %
Gain on Divestiture	20	—		(20)	—		(0.4) %	— %
Goodwill and Asset Impairment Charges	(39)	(41)		39	41		0.8 %	0.7 %
Expense for Regulatory Matter	—	(45)		—	45		— %	0.7 %
Non-GAAP Adjusted Measure	\$ 5,056	\$ 5,969	(15.3) %	\$ 310	\$ 462	(32.9) %	5.8 %	7.2 %

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

**Six Months Ended**  
**June 30,**

<i>(amounts in millions)</i>		2025
Cash flows from operating activities	\$	2,666
Capital expenditures		(1,999)
Proceeds from disposals of property, plant and equipment		91
Other investing activities		(16)
Free Cash Flow (Non-GAAP measure)	\$	742

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**United Parcel Service, Inc.**  
**Reconciliation of GAAP and Non-GAAP Adjusted Measures - U.S. Domestic Cost Per Piece**  
**(unaudited)**

	Three Months Ended June 30,		% Change
	2025	2024	
Operating Days	64	64	
Average Daily U.S. Domestic Package Volume (in thousands)	16,553	17,864	
<b>U.S. Domestic Package Cost Per Piece (GAAP)</b>	<b>\$ 12.18</b>	<b>\$ 11.48</b>	<b>6.1 %</b>
Transformation Strategy Costs	(0.06)	—	
<b>U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece</b>	<b>\$ 12.12</b>	<b>\$ 11.48</b>	<b>5.6 %</b>

*Note: Cost per piece excludes expense associated with cargo and other activity.*

**United Parcel Service, Inc.**  
**Reconciliation of GAAP and Non-GAAP Adjusted Measures - U.S. Domestic Cost Per Piece**  
**(unaudited)**

	Six Months Ended June 30			% Change
	2025	2024		
Operating Days	126	127		
Average Daily U.S. Domestic Package Volume (in thousands)	16,991	17,969		
<b>U.S. Domestic Package Cost Per Piece (GAAP)</b>	<b>\$ 12.20</b>	<b>\$ 11.63</b>		<b>4.9 %</b>
Transformation Strategy Costs	(0.05)	(0.01)		
<b>U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece</b>	<b>\$ 12.15</b>	<b>\$ 11.62</b>		<b>4.6 %</b>

*Note: Cost per piece excludes expense associated with cargo and other activity.*

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

	Three Months Ended			
	June 30,			
	2025	2024	Change	% Change
<i>(amounts in millions, except per share data)</i>				
<b>Statement of Income Data:</b>				
Revenue:				
U.S. Domestic Package	\$ 14,083	\$ 14,201	\$ (118)	(0.8)%
International Package	4,485	4,370	115	2.6 %
Supply Chain Solutions	2,653	3,247	(594)	(18.3)%
Total revenue	21,221	21,818	(597)	(2.7)%
Operating expenses:				
U.S. Domestic Package	13,167	13,213	(46)	(0.3)%
International Package	3,813	3,652	161	4.4 %
Supply Chain Solutions	2,419	3,009	(590)	(19.6)%
Total operating expenses	19,399	19,874	(475)	(2.4)%
Operating profit:				
U.S. Domestic Package	916	988	(72)	(7.3)%
International Package	672	718	(46)	(6.4)%
Supply Chain Solutions	234	238	(4)	(1.7)%
Total operating profit	1,822	1,944	(122)	(6.3)%
Other income (expense):				
Other pension income (expense)	38	67	(29)	(43.3)%
Investment income (expense) and other	40	70	(30)	(42.9)%
Interest expense	(238)	(212)	(26)	12.3 %
Total other income (expense)	(160)	(75)	(85)	113.3 %
Income before income taxes	1,662	1,869	(207)	(11.1)%
Income tax expense	379	460	(81)	(17.6)%
Net income	\$ 1,283	\$ 1,409	\$ (126)	(8.9)%
Net income as a percentage of revenue	6.0 %	6.5 %		
Per share amounts:				
Basic earnings per share	\$ 1.51	\$ 1.65	\$ (0.14)	(8.5)%
Diluted earnings per share	\$ 1.51	\$ 1.65	\$ (0.14)	(8.5)%
Weighted-average shares outstanding:				
Basic	847	856	(9)	(1.1)%
Diluted	847	857	(10)	(1.2)%
<b>Non-GAAP Adjusted Income Data <sup>(1)</sup>:</b>				
Operating profit:				
U.S. Domestic Package	\$ 982	\$ 996	\$ (14)	(1.4)%
International Package	682	824	(142)	(17.2)%
Supply Chain Solutions	212	244	(32)	(13.1)%
Total operating profit	1,876	2,064	(188)	(9.1)%
Total other income (expense)	\$ (160)	\$ (69)	\$ (91)	131.9 %
Income before income taxes	\$ 1,716	\$ 1,995	\$ (279)	(14.0)%
Net income	\$ 1,312	\$ 1,529	\$ (217)	(14.2)%
Basic earnings per share	\$ 1.55	\$ 1.79	\$ (0.24)	(13.4)%
Diluted earnings per share	\$ 1.55	\$ 1.79	\$ (0.24)	(13.4)%

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

*Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.*

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

	Three Months Ended			
	June 30,			
	2025	2024	Change	% Change
<b>Revenue (in millions):</b>				
U.S. Domestic Package:				
Next Day Air	\$ 2,293	\$ 2,309	\$ (16)	(0.7)%
Deferred	1,024	1,107	(83)	(7.5)%
Ground	10,484	10,703	(219)	(2.0)%
Cargo and Other	282	82	200	243.9 %
Total U.S. Domestic Package	14,083	14,201	(118)	(0.8)%
International Package:				
Domestic	830	770	60	7.8 %
Export	3,484	3,437	47	1.4 %
Cargo and Other	171	163	8	4.9 %
Total International Package	4,485	4,370	115	2.6 %
Supply Chain Solutions:				
Forwarding	732	1,315	(583)	(44.3)%
Logistics	1,476	1,546	(70)	(4.5)%
Other	445	386	59	15.3 %
Total Supply Chain Solutions	2,653	3,247	(594)	(18.3)%
Consolidated	\$ 21,221	\$ 21,818	\$ (597)	(2.7)%
Consolidated volume (in millions)	1,263	1,339	(76)	(5.7)%
Operating weekdays	64	64	—	0.0 %
<b>Average Daily Package Volume (in thousands):</b>				
U.S. Domestic Package:				
Next Day Air	1,429	1,559	(130)	(8.3)%
Deferred	825	991	(166)	(16.8)%
Ground	14,299	15,314	(1,015)	(6.6)%
Total U.S. Domestic Package	16,553	17,864	(1,311)	(7.3)%
International Package:				
Domestic	1,507	1,485	22	1.5 %
Export	1,681	1,584	97	6.1 %
Total International Package	3,188	3,069	119	3.9 %
Consolidated	19,741	20,933	(1,192)	(5.7)%
<b>Average Revenue Per Piece:</b>				
U.S. Domestic Package:				
Next Day Air	\$ 25.07	\$ 23.14	\$ 1.93	8.3 %
Deferred	19.39	17.45	1.94	11.1 %
Ground	11.46	10.92	0.54	4.9 %
Total U.S. Domestic Package	13.03	12.35	0.68	5.5 %
International Package:				
Domestic	8.61	8.10	0.51	6.3 %
Export	32.38	33.90	(1.52)	(4.5)%
Total International Package	21.14	21.42	(0.28)	(1.3)%
Consolidated	\$ 14.34	\$ 13.68	\$ 0.66	4.8 %

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

	Three Months Ended			
	June 30,			
	2025	2024	Change	% Change
<i>(in millions)</i>				
Compensation and benefits	\$ 11,626	\$ 11,503	\$ 123	1.1 %
Repairs and maintenance	755	734	21	2.9 %
Depreciation and amortization	936	887	49	5.5 %
Purchased transportation	2,522	3,273	(751)	(22.9)%
Fuel	1,058	1,126	(68)	(6.0)%
Other occupancy	544	492	52	10.6 %
Other expenses	1,958	1,859	99	5.3 %
Total operating expenses	<u>\$ 19,399</u>	<u>\$ 19,874</u>	<u>\$ (475)</u>	(2.4)%

*Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.*



**United Parcel Service, Inc.**  
**Selected Financial Data - Year to Date**  
(unaudited)

	Six Months Ended			
	June 30			
	2025	2024	Change	% Change
<i>(amounts in millions, except per share data)</i>				
<b>Statement of Income Data:</b>				
Revenue:				
U.S. Domestic Package	\$ 28,543	\$ 28,467	\$ 76	0.3 %
International Package	8,858	8,626	232	2.7 %
Supply Chain Solutions	5,366	6,431	(1,065)	(16.6)%
Total revenue	42,767	43,524	(757)	(1.7)%
Operating expenses:				
U.S. Domestic Package	26,648	26,646	2	0.0 %
International Package	7,545	7,252	293	4.0 %
Supply Chain Solutions	5,086	6,069	(983)	(16.2)%
Total operating expenses	39,279	39,967	(688)	(1.7)%
Operating profit:				
U.S. Domestic Package	1,895	1,821	74	4.1 %
International Package	1,313	1,374	(61)	(4.4)%
Supply Chain Solutions	280	362	(82)	(22.7)%
Total operating profit	3,488	3,557	(69)	(1.9)%
Other income (expense):				
Other pension income (expense)	75	134	(59)	(44.0)%
Investment income (expense) and other	82	121	(39)	(32.2)%
Interest expense	(460)	(407)	(53)	13.0 %
Total other income (expense)	(303)	(152)	(151)	99.3 %
Income before income taxes	3,185	3,405	(220)	(6.5)%
Income tax expense	715	883	(168)	(19.0)%
Net income	\$ 2,470	\$ 2,522	\$ (52)	(2.1)%
Net income as a percentage of revenue	5.8 %	5.8 %		
Per share amounts:				
Basic earnings per share	\$ 2.91	\$ 2.95	\$ (0.04)	(1.4)%
Diluted earnings per share	\$ 2.91	\$ 2.94	\$ (0.03)	(1.0)%
Weighted-average shares outstanding:				
Basic	849	856	(7)	(0.8)%
Diluted	849	857	(8)	(0.9)%
<b>Non-GAAP Adjusted Income Data <sup>(1)</sup>:</b>				
Operating profit:				
U.S. Domestic Package	\$ 1,993	\$ 1,843	\$ 150	8.1 %
International Package	1,336	1,506	(170)	(11.3)%
Supply Chain Solutions	310	462	(152)	(32.9)%
Total operating profit	3,639	3,811	(172)	(4.5)%
Total other income (expense)	\$ (284)	\$ (146)	\$ (138)	94.5 %
Income before income taxes	\$ 3,355	\$ 3,665	\$ (310)	(8.5)%
Net income	\$ 2,582	\$ 2,752	\$ (170)	(6.2)%
Basic earnings per share	\$ 3.04	\$ 3.21	\$ (0.17)	(5.3)%
Diluted earnings per share	\$ 3.04	\$ 3.21	\$ (0.17)	(5.3)%

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

*Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.*

**United Parcel Service, Inc.**  
**Selected Operating Data - Year to Date**  
(unaudited)

	Six Months Ended			
	June 30			
	2025	2024	Change	% Change
<b>Revenue (in millions):</b>				
U.S. Domestic Package:				
Next Day Air	\$ 4,654	\$ 4,625	\$ 29	0.6 %
Deferred	2,073	2,263	(190)	(8.4)%
Ground	21,193	21,465	(272)	(1.3)%
Cargo and Other	623	114	509	446.5 %
Total U.S. Domestic Package	28,543	28,467	76	0.3 %
International Package:				
Domestic	1,601	1,528	73	4.8 %
Export	6,928	6,787	141	2.1 %
Cargo and Other	329	311	18	5.8 %
Total International Package	8,858	8,626	232	2.7 %
Supply Chain Solutions:				
Forwarding	1,458	2,595	(1,137)	(43.8)%
Logistics	3,048	3,088	(40)	(1.3)%
Other	860	748	112	15.0 %
Total Supply Chain Solutions	5,366	6,431	(1,065)	(16.6)%
Consolidated	\$ 42,767	\$ 43,524	\$ (757)	(1.7)%
Consolidated volume (in millions)	2,552	2,675	(123)	(4.6)%
Operating weekdays	126	127	(1)	(0.8)%
<b>Average Daily Package Volume (in thousands):</b>				
U.S. Domestic Package:				
Next Day Air	1,474	1,574	(100)	(6.4)%
Deferred	845	1,019	(174)	(17.1)%
Ground	14,672	15,376	(704)	(4.6)%
Total U.S. Domestic Package	16,991	17,969	(978)	(5.4)%
International Package:				
Domestic	1,541	1,494	47	3.1 %
Export	1,725	1,602	123	7.7 %
Total International Package	3,266	3,096	170	5.5 %
Consolidated	20,257	21,065	(808)	(3.8)%
<b>Average Revenue Per Piece:</b>				
U.S. Domestic Package:				
Next Day Air	\$ 25.06	\$ 23.14	\$ 1.92	8.3 %
Deferred	19.47	17.49	1.98	11.3 %
Ground	11.46	10.99	0.47	4.3 %
Total U.S. Domestic Package	13.04	12.42	0.62	5.0 %
International Package:				
Domestic	8.25	8.05	0.20	2.5 %
Export	31.87	33.36	(1.49)	(4.5)%
Total International Package	20.73	21.15	(0.42)	(2.0)%
Consolidated	\$ 14.28	\$ 13.71	\$ 0.57	4.2 %

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**United Parcel Service, Inc.**  
**Detail of Operating Expenses - Year to Date**  
(unaudited)

	Six Months Ended			
	June 30			
	2025	2024	Change	% Change
<i>(in millions)</i>				
Compensation and benefits	\$ 23,453	\$ 23,142	\$ 311	1.3 %
Repairs and maintenance	1,487	1,452	35	2.4 %
Depreciation and amortization	1,848	1,785	63	3.5 %
Purchased transportation	5,252	6,519	(1,267)	(19.4)%
Fuel	2,116	2,186	(70)	(3.2)%
Other occupancy	1,151	1,056	95	9.0 %
Other expenses	3,972	3,827	145	3.8 %
Total operating expenses	<u>\$ 39,279</u>	<u>\$ 39,967</u>	<u>\$ (688)</u>	<u>(1.7)%</u>

*Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.*

**United Parcel Service, Inc.**  
**Consolidated Balance Sheets**  
**June 30, 2025 (unaudited) and December 31, 2024**

	June 30, 2025	December 31, 2024
<i>(amounts in millions)</i>		
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 6,194	\$ 6,112
Marketable securities	92	206
Accounts receivable, net	10,430	10,871
Other current assets	2,134	2,121
Total Current Assets	18,850	19,310
Property, Plant and Equipment, Net	37,711	37,179
Operating Lease Right-Of-Use Assets	3,979	4,149
Goodwill	4,806	4,300
Intangible Assets, Net	3,356	3,064
Deferred Income Tax Assets	142	112
Other Non-Current Assets	2,079	1,956
Total Assets	\$ 70,923	\$ 70,070
<b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt, commercial paper and finance leases	\$ 920	\$ 1,838
Current maturities of operating leases	724	733
Accounts payable	6,040	6,302
Accrued wages and withholdings	3,223	3,655
Self-insurance reserves	1,087	1,086
Accrued group welfare and retirement plan contributions	1,079	1,390
Other current liabilities	1,167	1,437
Total Current Liabilities	14,240	16,441
Long-Term Debt and Finance Leases	23,820	19,446
Non-Current Operating Leases	3,445	3,635
Pension and Postretirement Benefit Obligations	6,398	6,859
Deferred Income Tax Liabilities	3,489	3,595
Other Non-Current Liabilities	3,754	3,351
Shareowners' Equity:		
Class A common stock	2	2
Class B common stock	7	7
Additional paid-in capital	84	136
Retained earnings	19,832	20,882
Accumulated other comprehensive loss	(4,175)	(4,309)
Deferred compensation obligations	4	7
Less: Treasury stock	(4)	(7)
Total Equity for Controlling Interests	15,750	16,718
Noncontrolling interests	27	25
Total Shareowners' Equity	15,777	16,743
Total Liabilities and Shareowners' Equity	\$ 70,923	\$ 70,070

*Certain prior year amounts 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,	
	2025	2024
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 2,470	\$ 2,522
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	1,848	1,785
Pension and postretirement benefit expense	514	518
Pension and postretirement benefit contributions	(921)	(150)
Self-insurance reserves	169	(39)
Deferred tax (benefit) expense	(84)	72
Stock compensation expense (benefit)	16	3
Other (gains) losses	64	166
Changes in assets and liabilities, net of effects of business acquisitions:		
Accounts receivable	540	1,526
Other assets	(140)	73
Accounts payable	(442)	(685)
Accrued wages and withholdings	(447)	137
Other liabilities	(909)	(619)
Other operating activities	(12)	—
Net cash from operating activities	2,666	5,309
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(1,999)	(1,968)
Proceeds from disposal of businesses, property, plant and equipment	91	28
Purchases of marketable securities	(90)	(52)
Sales and maturities of marketable securities	205	2,715
Acquisitions, net of cash acquired	(479)	(66)
Other investing activities	(6)	(4)
Net cash (used in) from investing activities	(2,278)	653
<b>Cash Flows From Financing Activities:</b>		
Net change in short-term debt	—	(1,272)
Proceeds from long-term borrowings	4,153	2,785
Repayments of long-term borrowings	(1,062)	(1,508)
Purchases of common stock	(1,000)	—
Issuances of common stock	102	131
Dividends	(2,697)	(2,701)
Other financing activities	(15)	(202)
Net cash used in financing activities	(519)	(2,767)
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	213	(72)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash, including cash classified within current assets held for sale	82	3,123
Less: net (increase) decrease in cash classified within current assets held for sale	—	10
<b>Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash</b>	82	3,113
<b>Cash, Cash Equivalents and Restricted Cash:</b>		
Beginning of period	6,112	3,206
End of period	\$ 6,194	\$ 6,319

Certain prior year amounts 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,	
	2025	2024
Cash flows from operating activities	\$ 2,666	\$ 5,309
Capital expenditures	(1,999)	(1,968)
Proceeds from disposals of property, plant and equipment	91	28
Other investing activities	(16)	(4)
Free Cash Flow (Non-GAAP measure)	<u>\$ 742</u>	<u>\$ 3,365</u>

Certain prior year amounts 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 Non-GAAP Adjusted Measures**  
(unaudited)

Three Months Ended  
June 30,

<i>(amounts in millions)</i>	2025	2024
<b>Operating Profit (GAAP)</b>	\$ 1,822	\$ 1,944
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(18)	(10)
<i>Financial systems</i>	15	13
<i>Transformation 2.0 total</i>	(3)	3
<i>Fit to Serve</i>	9	24
<i>Network Reconfiguration and Efficiency Reimagined</i>	68	—
Total Transformation Strategy Costs	74	27
Gain on Divestiture <sup>(1)</sup>	(20)	—
Expense for Regulatory Matter <sup>(2)</sup>	—	5
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	—	88
Non-GAAP Adjusted Operating Profit	\$ 1,876	\$ 2,064

	2025	2024
<b>Operating Margin (GAAP)</b>	8.6 %	8.9 %
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(0.1)%	— %
<i>Financial systems</i>	0.1 %	0.1 %
<i>Transformation 2.0 total</i>	— %	0.1 %
<i>Fit to Serve</i>	— %	0.1 %
<i>Network Reconfiguration and Efficiency Reimagined</i>	0.3 %	— %
Total Transformation Strategy Costs	0.3 %	0.2 %
Gain on Divestiture <sup>(1)</sup>	(0.1)%	— %
Expense for Regulatory Matter <sup>(2)</sup>	— %	— %
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	— %	0.4 %
Non-GAAP Adjusted Operating Margin	8.8 %	9.5 %

<i>(amounts in millions)</i>	2025	2024
<b>Other Income (Expense) (GAAP)</b>	\$ (160)	\$ (75)
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	—	6
Non-GAAP Adjusted Other Income (Expense)	\$ (160)	\$ (69)

(1) Reflects pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.

(2) Reflects expense related to the settlement of a regulatory matter.

(3) Reflects a pre-tax one-time payment for an international regulatory matter of \$88 million and related interest of \$6 million.

*Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.*

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

**Three Months Ended**

**June 30,**

<i>(amounts in millions)</i>	2025	2024
<b>Income Before Income Taxes (GAAP)</b>	\$ 1,662	\$ 1,869
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(18)	(10)
<i>Financial systems</i>	15	13
<i>Transformation 2.0 total</i>	(3)	3
<i>Fit to Serve</i>	9	24
<i>Network Reconfiguration and Efficiency Reimagined</i>	68	—
Total Transformation Strategy Costs	74	27
Gain on Divestiture <sup>(1)</sup>	(20)	—
Expense for Regulatory Matter <sup>(2)</sup>	—	5
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	—	94
Non-GAAP Adjusted Income Before Income Taxes	\$ 1,716	\$ 1,995

<i>(amounts in millions)</i>	2025	2024
<b>Income Tax Expense (GAAP)</b>	\$ 379	\$ 460
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(5)	(2)
<i>Financial systems</i>	4	3
<i>Transformation 2.0 total</i>	(1)	1
<i>Fit to Serve</i>	2	5
<i>Network Reconfiguration and Efficiency Reimagined</i>	16	—
Total Transformation Strategy Costs	17	6
Gain on Divestiture <sup>(1)</sup>	(5)	—
Reversal of Income Tax Valuation Allowance <sup>(4)</sup>	13	—
Non-GAAP Adjusted Income Tax Expense	\$ 404	\$ 466

(1) Reflects pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.

(2) Reflects expense related to the settlement of a regulatory matter.

(3) Reflects a pre-tax one-time payment for an international regulatory matter of \$88 million and related interest of \$6 million.

(4) Reflects the partial reversal of an income tax valuation allowance.

*Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.*



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

**Three Months Ended**  
**June 30,**

<i>(amounts in millions)</i>	<b>2025</b>	<b>2024</b>
<b>Net Income (GAAP)</b>	\$ 1,283	\$ 1,409
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(13)	(8)
<i>Financial systems</i>	11	10
<i>Transformation 2.0 total</i>	(2)	2
<i>Fit to Serve</i>	7	19
<i>Network Reconfiguration and Efficiency Reimagined</i>	52	—
Total Transformation Strategy Costs	57	21
Gain on Divestiture <sup>(1)</sup>	(15)	—
Expense for Regulatory Matter <sup>(2)</sup>	—	5
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	—	94
Reversal of Income Tax Valuation Allowance <sup>(4)</sup>	(13)	—
Non-GAAP Adjusted Net Income	\$ 1,312	\$ 1,529

	<b>2025</b>	<b>2024</b>
<b>Diluted Earnings Per Share (GAAP)</b>	\$ 1.51	\$ 1.65
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(0.01)	(0.01)
<i>Financial systems</i>	0.01	0.01
<i>Transformation 2.0 total</i>	—	—
<i>Fit to Serve</i>	0.01	0.02
<i>Network Reconfiguration and Efficiency Reimagined</i>	0.07	—
Total Transformation Strategy Costs	0.08	0.02
Gain on Divestiture <sup>(1)</sup>	(0.02)	—
Expense for Regulatory Matter <sup>(2)</sup>	—	0.01
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	—	0.11
Reversal of Income Tax Valuation Allowance <sup>(4)</sup>	(0.02)	—
Non-GAAP Adjusted Diluted Earnings Per Share	\$ 1.55	\$ 1.79

(1) Reflects pre-tax gain of \$20 million and related tax effect on the divestiture of a business within Supply Chain Solutions.

(2) Reflects expense related to the settlement of a regulatory matter.

(3) Reflects a pre-tax one-time payment for an international regulatory matter of \$88 million and related interest of \$6 million.

(4) Reflects the partial reversal of an income tax valuation allowance.

*Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.*

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

Three Months Ended June 30,								
	2025	2024		2025	2024		2025	2024
U.S. Domestic Package	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 13,167	\$ 13,213	(0.3)%	\$ 916	\$ 988	(7.3)%	6.5 %	7.0 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(66)	(8)		66	8		0.5 %	— %
Non-GAAP Adjusted Measure	\$ 13,101	\$ 13,205	(0.8)%	\$ 982	\$ 996	(1.4)%	7.0 %	7.0 %
International Package	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 3,813	\$ 3,652	4.4 %	\$ 672	\$ 718	(6.4)%	15.0 %	16.4 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(10)	(18)		10	18		0.2 %	0.4 %
One-Time Payment for Int'l Regulatory Matter	—	(88)		—	88		— %	2.1 %
Non-GAAP Adjusted Measure	\$ 3,803	\$ 3,546	7.2 %	\$ 682	\$ 824	(17.2)%	15.2 %	18.9 %
Supply Chain Solutions	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 2,419	\$ 3,009	(19.6)%	\$ 234	\$ 238	(1.7)%	8.8 %	7.3 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	2	(1)		(2)	1		(0.1)%	— %
Gain on Divestiture	20	—		(20)	—		(0.7)%	— %
Expense for Regulatory Matter	—	(5)		—	5		— %	0.2 %
Non-GAAP Adjusted Measure	\$ 2,441	\$ 3,003	(18.7)%	\$ 212	\$ 244	(13.1)%	8.0 %	7.5 %

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**United Parcel Service, Inc.**  
**Reconciliation of GAAP and Non-GAAP Adjusted Measures - U.S. Domestic Cost Per Piece**  
(unaudited)

	Three Months Ended June 30,		% Change
	2025	2024	
Operating Days	64	64	
Average Daily U.S. Domestic Package Volume (in thousands)	16,553	17,864	
<b>U.S. Domestic Package Cost Per Piece (GAAP)</b>	<b>\$ 12.18</b>	<b>\$ 11.48</b>	<b>6.1 %</b>
Transformation Strategy Costs	(0.06)	—	
<b>U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece</b>	<b>\$ 12.12</b>	<b>\$ 11.48</b>	<b>5.6 %</b>

*Note: Cost per piece excludes expense associated with cargo and other activity.*

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

Six Months Ended

June 30

<i>(amounts in millions)</i>	2025	2024
<b>Operating Profit (GAAP)</b>	\$ 3,488	\$ 3,557
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(18)	(5)
<i>Financial systems</i>	31	29
<i>Transformation 2.0 total</i>	13	24
<i>Fit to Serve</i>	28	49
<i>Network Redesign and Efficiency Reimagined</i>	91	—
Total Transformation Strategy Costs	132	73
Gain on Divestiture <sup>(1)</sup>	(20)	—
Goodwill and Asset Impairment Charges <sup>(4), (5)</sup>	39	48
Expense for Regulatory Matter <sup>(2)</sup>	—	45
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	—	88
Non-GAAP Adjusted Operating Profit	\$ 3,639	\$ 3,811

	2025	2024
<b>Operating Margin (GAAP)</b>	8.2 %	8.2 %
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(0.1)%	— %
<i>Financial systems</i>	0.1 %	0.1 %
<i>Transformation 2.0 total</i>	— %	0.1 %
<i>Fit to Serve</i>	0.1 %	0.1 %
<i>Network Redesign and Efficiency Reimagined</i>	0.2 %	— %
Total Transformation Strategy Costs	0.3 %	0.2 %
Gain on Divestiture <sup>(1)</sup>	(0.1)%	— %
Goodwill and Asset Impairment Charges <sup>(4), (5)</sup>	0.1 %	0.1 %
Expense for Regulatory Matter <sup>(2)</sup>	— %	0.1 %
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	— %	0.2 %
Non-GAAP Adjusted Operating Margin	8.5 %	8.8 %

<i>(amounts in millions)</i>	2025	2024
<b>Other Income (Expense) (GAAP)</b>	\$ (303)	\$ (152)
Goodwill and Asset Impairment Charges <sup>(4), (5)</sup>	19	—
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	—	6
Non-GAAP Adjusted Other Income (Expense)	\$ (284)	\$ (146)

(1) Reflects a pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.

(2) Reflects expense related to the settlement of a regulatory matter.

(3) Reflects a pre-tax one-time payment for an international regulatory matter of \$88 million and related interest of \$6 million.

(4) Reflects pre-tax impairment charges of \$41 million for acquired trade names within Supply Chain Solutions and \$7 million for software licenses in 2024.

(5) Reflects impairment charges for long-lived assets and related tax effect charges for a business within Supply Chain Solutions and the write-down of an equity investment in 2025.

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

**Six Months Ended**

**June 30**

<i>(amounts in millions)</i>	2025	2024
<b>Income Before Income Taxes (GAAP)</b>	\$ 3,185	\$ 3,405
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(18)	(5)
<i>Financial systems</i>	31	29
<i>Transformation 2.0 total</i>	13	24
<i>Fit to Serve</i>	28	49
<i>Network Redesign and Efficiency Reimagined</i>	91	—
<b>Total Transformation Strategy Costs</b>	132	73
Gain on Divestiture <sup>(1)</sup>	(20)	—
Goodwill and Asset Impairment Charges <sup>(4), (5)</sup>	58	48
Expense for Regulatory Matter <sup>(2)</sup>	—	45
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	—	94
<b>Non-GAAP Adjusted Income Before Income Taxes</b>	\$ 3,355	\$ 3,665

<i>(amounts in millions)</i>	2025	2024
<b>Income Tax Expense (GAAP)</b>	\$ 715	\$ 883
Transformation Strategy Costs:		
<i>Transformation 2.0</i>		
<i>Business portfolio review</i>	(5)	(1)
<i>Financial systems</i>	8	7
<i>Transformation 2.0 total</i>	3	6
<i>Fit to Serve</i>	6	11
<i>Network Redesign and Efficiency Reimagined</i>	22	—
<b>Total Transformation Strategy Costs</b>	31	17
Gain on Divestiture <sup>(1)</sup>	(5)	—
Goodwill and Asset Impairment Charges <sup>(4), (5)</sup>	9	13
Reversal of Income Tax Valuation Allowance <sup>(6)</sup>	23	—
<b>Non-GAAP Adjusted Income Tax Expense</b>	\$ 773	\$ 913

(1) Reflects a pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.

(2) Reflects expense related to the settlement of a regulatory matter.

(3) Reflects a pre-tax one-time payment for an international regulatory matter of \$88 million and related interest of \$6 million.

(4) Reflects pre-tax impairment charges of \$41 million for acquired trade names within Supply Chain Solutions and \$7 million for software licenses in 2024.

(5) Reflects impairment charges for long-lived assets and related tax effect charges for a business within Supply Chain Solutions and the write-down of an equity investment in 2025.

(6) Reflects the partial reversal of an income tax valuation allowance.

*Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.*

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

**Six Months Ended**  
**June 30**

<i>(amounts in millions)</i>	<b>2025</b>	<b>2024</b>		<b>2025</b>	<b>2024</b>
<b>Net Income (GAAP)</b>	\$ 2,470	\$ 2,522		<b>Diluted Earnings Per Share (GAAP)</b>	\$ 2.91 \$ 2.94
Transformation Strategy Costs:				Transformation Strategy Costs:	
<i>Transformation 2.0</i>				<i>Transformation 2.0</i>	
<i>Business portfolio review</i>	(13)	(4)		<i>Business portfolio review</i>	(0.02) —
<i>Financial systems</i>	23	22		<i>Financial systems</i>	0.03 0.03
<i>Transformation 2.0 total</i>	10	18		<i>Transformation 2.0 total</i>	0.01 0.03
<i>Fit to Serve</i>	22	38		<i>Fit to Serve</i>	0.03 0.04
<i>Network Redesign and Efficiency Reimagined</i>	69	—		<i>Network Redesign and Efficiency Reimagined</i>	0.08 —
Total Transformation Strategy Costs	101	56		Total Transformation Strategy Costs	0.12 0.07
Gain on Divestiture <sup>(1)</sup>	(15)	—		Gain on Divestiture <sup>(1)</sup>	(0.02) —
Goodwill and Asset Impairment Charges <sup>(4), (5)</sup>	49	35		Goodwill and Asset Impairment Charges <sup>(4), (5)</sup>	0.06 0.04
Expense for Regulatory Matter <sup>(2)</sup>	—	45		Expense for Regulatory Matter <sup>(2)</sup>	— 0.05
One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	—	94		One-Time Payment for Int'l Regulatory Matter <sup>(3)</sup>	— 0.11
Reversal of Income Tax Valuation Allowance <sup>(6)</sup>	(23)	—		Reversal of Income Tax Valuation Allowance <sup>(6)</sup>	(0.03) —
<b>Non-GAAP Adjusted Net Income</b>	\$ 2,582	\$ 2,752		<b>Non-GAAP Adjusted Diluted Earnings Per Share</b>	\$ 3.04 \$ 3.21

(1) Reflects a pre-tax gain of \$20 million on the divestiture of a business within Supply Chain Solutions.

(2) Reflects expense related to the settlement of a regulatory matter.

(3) Reflects a pre-tax one-time payment for an international regulatory matter of \$88 million and related interest of \$6 million.

(4) Reflects pre-tax impairment charges of \$41 million for acquired trade names within Supply Chain Solutions and \$7 million for software licenses in 2024.

(5) Reflects impairment charges for long-lived assets and related tax effect charges for a business within Supply Chain Solutions and the write-down of an equity investment in 2025.

(6) Reflects the partial reversal of an income tax valuation allowance.

*Certain prior year amounts have been reclassified to conform to the current year presentation, including the recast of air cargo results to U.S. Domestic, with no change to consolidated results. Certain amounts are calculated based on unrounded numbers.*

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

Six Months Ended June 30								
U.S. Domestic Package								
	2025	2024		2025	2024		2025	2024
	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 26,648	\$ 26,646	— %	\$ 1,895	\$ 1,821	4.1 %	6.6 %	6.4 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(98)	(17)		98	17		0.4 %	0.1 %
Goodwill and Asset Impairment Charges	—	(5)		—	5		— %	— %
Non-GAAP Adjusted Measure	\$ 26,550	\$ 26,624	(0.3)%	\$ 1,993	\$ 1,843	8.1 %	7.0 %	6.5 %
International Package								
	2025	2024		2025	2024		2025	2024
	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 7,545	\$ 7,252	4.0 %	\$ 1,313	\$ 1,374	(4.4)%	14.8 %	15.9 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(23)	(42)		23	42		0.3 %	0.6 %
Goodwill and Asset Impairment Charges	—	(2)		—	2		— %	— %
One-Time Int'l Regulatory Matter	—	(88)		—	88		— %	1.0 %
Non-GAAP Adjusted Measure	\$ 7,522	\$ 7,120	5.6 %	\$ 1,336	\$ 1,506	(11.3)%	15.1 %	17.5 %
Supply Chain Solutions								
	2025	2024		2025	2024		2025	2024
	Operating Expenses		% Change	Operating Profit		% Change	Operating Margin	
GAAP	\$ 5,086	\$ 6,069	(16.2)%	\$ 280	\$ 362	(22.7)%	5.2 %	5.6 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(11)	(14)		11	14		0.2 %	0.2 %
Gain on Divestiture	20	—		(20)	—		(0.4)%	— %
Goodwill and Asset Impairment Charges	(39)	(41)		39	41		0.8 %	0.7 %
Expense for Regulatory Matter	—	(45)		—	45		— %	0.7 %
Non-GAAP Adjusted Measure	\$ 5,056	\$ 5,969	(15.3)%	\$ 310	\$ 462	(32.9)%	5.8 %	7.2 %

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**United Parcel Service, Inc.**  
**Reconciliation of GAAP and Non-GAAP Adjusted Measures - U.S. Domestic Cost Per Piece**  
(unaudited)

	Six Months Ended June 30		% Change
	2025	2024	
Operating Days	126	127	
Average Daily U.S. Domestic Package Volume (in thousands)	16,991	17,969	
<b>U.S. Domestic Package Cost Per Piece (GAAP)</b>	<b>\$ 12.20</b>	<b>\$ 11.63</b>	<b>4.9 %</b>
Transformation Strategy Costs	(0.05)	(0.01)	
<b>U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece</b>	<b>\$ 12.15</b>	<b>\$ 11.62</b>	<b>4.6 %</b>

*Note: Cost per piece excludes expense associated with cargo and other activity.*

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**United Parcel Service, Inc.**  
**Aircraft Fleet - As of June 30, 2025**  
(unaudited)

Description	UPS Owned and/or Operated	Charters & Leases Operated by Others	On Order	Under Option
Boeing 757-200	75	—	—	—
Boeing 767-300	85	—	22	—
Boeing 767-300BCF	6	—	—	—
Boeing 767-300BDSF	4	—	—	—
Airbus A300-600	52	—	—	—
Boeing MD-11 <sup>(1)</sup>	27	—	—	—
Boeing 747-400F	11	—	—	—
Boeing 747-400BCF	2	—	—	—
Boeing 747-8F	30	—	—	—
Other	—	233	—	—
Total	292	233	22	—

<sup>(1)</sup> None of the MD-11 aircraft shown above have been retired from operational use as of June 30, 2025. We anticipate retiring one (1) of the MD-11 aircraft shown above during 2025.

