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): October 28, 2025

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

Delaware	001-15451	58-2480149
(State or other jurisdiction of incorporation)	(Commission File Number)	(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 October 28, 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 September 30, 2025. The Company also posted on its website at *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 September 30, 2025 "UPS RELEASES 3Q 2025 EARNINGS"
99.2 Q3 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.

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:	October 28, 2025	By:	UNITED PARCEL SERVICE, INC. /s/ BRIAN DYKES **Brian Dykes** **Executive Vice President and Chief Financial Officer**

Exhibit 99.1

UPS RELEASES 3Q 2025 EARNINGS

- ***Consolidated Revenues of $21.4B***
- ***Consolidated Operating Margin of 8.4%; Non-GAAP Adjusted* Consolidated Operating Margin of 10.0%***
- ***Diluted EPS of $1.55; Non-GAAP Adj. Diluted EPS of $1.74***
- ***Provides Fourth-Quarter 2025 Financial Guidance and Full-Year Capital Allocation Expectations***

ATLANTA – October 28, 2025 – UPS (NYSE:UPS) today announced third-quarter 2025 consolidated revenues of $21.4 billion. Consolidated operating profit was $1.8 billion; $2.1 billion on a non-GAAP adjusted basis. Diluted earnings per share were $1.55 for the quarter; non-GAAP adjusted diluted earnings per share were $1.74.

For the third quarter of 2025, GAAP results include a net charge of $164 million, or $0.19 per diluted share, comprised of after-tax transformation strategy costs of $250 million, partially offset by an $86 million benefit from the reversal of an income tax valuation allowance.

Additionally in the third quarter, UPS entered into a sale-leaseback transaction related to five properties, which resulted in a $330 million pre-tax gain on sale within Supply Chain Solutions, and which contributed $0.30 to diluted earnings per share. This transaction was part of the company's broader capital strategy to monetize certain real estate assets to reinvest for growth with the leases structured to maintain operational continuity.

“I want to extend my gratitude to all UPSers for their dedication and steadfast commitment to serving our customers,” said Carol Tomé, UPS chief executive officer. “We are executing the most significant strategic shift in our company's history, and the changes we are implementing are designed to deliver long-term value for all stakeholders. With the holiday shipping season nearly upon us, we are positioned to run the most efficient peak in our history while providing industry-leading service to our customers for the eighth consecutive year."

U.S. Domestic Segment†

	3Q 2025	Non-GAAP Adjusted 3Q 2025	3Q 2024	Non-GAAP Adjusted 3Q 2024
Revenue	$14,220 M		$14,597 M	
Operating profit	$603 M	$905 M	$843 M	$919 M

- Revenue declined 2.6%, primarily driven by an expected decline in volume, partially offset by higher revenue per piece and air cargo revenue.
- Operating margin was 4.2%; non-GAAP adjusted operating margin was 6.4%.

International Segment

	3Q 2025	Non-GAAP Adjusted 3Q 2025	3Q 2024	Non-GAAP Adjusted 3Q 2024
Revenue	$4,673 M		$4,411 M	
Operating profit	$676 M	$691 M	$798 M	$792 M

- Revenue increased 5.9%, driven by a 4.8% increase in average daily volume.
- Operating margin was 14.5%; non-GAAP adjusted operating margin was 14.8%.

Supply Chain Solutions[1] †

	3Q 2025	Non-GAAP Adjusted 3Q 2025	3Q 2024	Non-GAAP Adjusted 3Q 2024
Revenue	$2,522 M		$3,237 M	
Operating profit	$525 M	$536 M	$344 M	$272 M

[1] Consists of operating segments that do not meet the criteria of a reportable segment under ASC Topic 280 – Segment Reporting.

- Revenue declined 22.1%, primarily due to the impact from the third quarter 2024 divestiture of Coyote.
- Operating margin was 20.8%; non-GAAP adjusted operating margin was 21.3%.

2025 Outlook

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

For the fourth-quarter of 2025, on a consolidated basis, UPS expects revenue to be approximately $24.0 billion and non-GAAP adjusted operating margin of approximately 11.0% - 11.5%.
The company 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 23.75%
- $1.4 billion in pension contributions (of which $1.3 billion have been made)
- Share repurchases of around $1.0 billion, which have been completed

* "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.

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

# # #

Conference Call Information
UPS CEO Carol Tomé and CFO Brian Dykes will discuss third-quarter results with investors and analysts during a conference call at 8:30 a.m. ET, October 28, 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 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, about.ups.com and 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, new or increased tariffs or government shutdowns; significant competition on a local, regional, national and international basis; changes in our relationships with our significant customers; our ability to attract and retain qualified employees; strikes, work stoppages or slowdowns by our employees; increased or more complex physical or operational security requirements; a significant cybersecurity incident, or increased data protection regulations; our ability to maintain our brand image and corporate reputation; impacts from global climate change; interruptions in or impacts on our business from natural or man-made events or disasters including terrorist attacks, epidemics or pandemics; exposure to changing economic, political, regulatory and social developments in international and emerging markets; our ability to realize the anticipated benefits from acquisitions, dispositions, joint ventures or strategic alliances; the effects of changing prices of energy, including gasoline, diesel, jet fuel, other fuels and interruptions in supplies of these commodities; changes in exchange rates or interest rates; our ability to accurately forecast our future capital investment needs; increases in our expenses or funding obligations relating to employee health, retiree health and/or pension benefits; our ability to manage insurance and claims expenses; changes in business strategy, government regulations or economic or market conditions that may result in impairments of our assets; potential additional U.S. or international tax liabilities; increasingly stringent regulations related to climate change; potential claims or litigation related to labor and employment, personal injury, property damage, business practices, environmental liability and other matters; and other risks discussed in our filings with the Securities and Exchange Commission from time to time, including our Annual Report on Form 10-K for the year ended December 31, 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. 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 have excluded the impact of an expense to settle a previously disclosed regulatory matter. We do not believe this is a component of our ongoing operations and we do not expect this or similar expenses to recur.

One-Time Payment for International Regulatory Matter

We have excluded 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.

Transformation Strategy Costs

We 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 precipitated these initiatives, including identification and prioritization of certain investments, 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 includes 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 the remainder of 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. We expect any remaining costs to be incurred during the remainder of 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 strategic execution of planned volume declines from our largest customer, we began our *Network Reconfiguration* initiative, which is an expansion of Network of the Future and has led and will continue to 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 have reduced our operational workforce by approximately 34,000 positions and closed daily operations at 93 leased and owned buildings during the first nine months of 2025 as a component of this initiative. We continue to review expected changes in volume in our integrated air and ground network to identify additional buildings for closure. As of September 30, 2025, we have realized cost savings of approximately $2.2 billion, and expect to achieve $3.5 billion total year over year cost savings in 2025, from this initiative. These amounts are calculated on the year over year change in volume from our largest customer, taking into account the impact of certain additional volume we have elected to serve.

In connection with the *Network Reconfiguration and Efficiency Reimagined* programs described above, we expect to exclude 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. As of September 30, 2025, we have incurred program costs to date of $422 million, including $387 million year to date. We expect the costs associated with these actions may increase should we determine to close additional buildings. These initiatives are expected to conclude in 2027.

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.

Goodwill and Asset Impairments

We 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 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 do we consider the impact of these transactions 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. As a result of property sales during 2025, we now expect all of these capital losses to be realized. We supplement our presentation with non-GAAP adjusted financial measures that exclude the impact of the reversals of 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.

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

(amounts in millions)		Three Months Ended September 30, 2025
Operating Profit (GAAP)	$	1,804
Transformation Strategy Costs:		
Transformation 2.0		
Financial systems		13
Transformation 2.0 total		13
Fit to Serve		19
Network Reconfiguration and Efficiency Reimagined		296
Total Transformation Strategy Costs		328
Non-GAAP Adjusted Operating Profit	$	2,132

	Three Months Ended September 30, 2025
Operating Margin (GAAP)	8.4 %
Transformation Strategy Costs:	
Transformation 2.0	
Financial systems	0.1 %
Transformation 2.0 total	0.1 %
Fit to Serve	0.1 %
Network Reconfiguration and Efficiency Reimagined	1.4 %
Total Transformation Strategy Costs	1.6 %
Non-GAAP Adjusted Operating Margin	10.0 %

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

(amounts in millions)	Three Months Ended September 30, 2025
Income Tax Expense (GAAP)	$ 296
Transformation Strategy Costs:	
Transformation 2.0	
Financial systems	3
Transformation 2.0 total	3
Fit to Serve	4
Network Reconfiguration and Efficiency Reimagined	71
Total Transformation Strategy Costs	78
Reversal of Income Tax Valuation Allowance [3]	86
Non-GAAP Adjusted Income Tax Expense	$ 460

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

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

(amounts in millions)	Three Months Ended September 30, 2025		
Net Income (GAAP)	$ 1,311	**Diluted Earnings Per Share (GAAP)**	$ 1.55
Transformation Strategy Costs:		Transformation Strategy Costs:	
Transformation 2.0		*Transformation 2.0*	
Financial systems	10	*Financial systems*	0.01
Transformation 2.0 total	10	*Transformation 2.0 total*	0.01
Fit to Serve	15	*Fit to Serve*	0.02
Network Reconfiguration and Efficiency Reimagined	225	*Network Reconfiguration and Efficiency Reimagined*	0.26
Total Transformation Strategy Costs	250	Total Transformation Strategy Costs	0.29
Reversal of Income Tax Valuation Allowance [3]	(86)	Reversal of Income Tax Valuation Allowance [3]	(0.10)
Non-GAAP Adjusted Net Income	$ 1,475	Non-GAAP Adjusted Diluted Earnings Per Share	$ 1.74

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

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

(amounts in millions)		Three Months Ended September 30, 2024
Operating Profit (GAAP)	$	1,985
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review		34
Financial systems		12
Transformation 2.0 total		46
Fit to Serve		108
Total Transformation Strategy Costs		154
Gain on Divestiture (1)		(156)
Non-GAAP Adjusted Operating Profit	$	1,983

		2024
Diluted Earnings Per Share (GAAP)	$	1.80
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review		0.03
Financial systems		0.01
Transformation 2.0 total		0.04
Fit to Serve		0.10
Total Transformation Strategy Costs		0.14
Gain on Divestiture (1)		(0.18)
Non-GAAP Adjusted Diluted Earnings Per Share	$	1.76

(1) Represents a pre-tax gain of $156 million on the divestiture of our Coyote Logistics business within Supply Chain Solutions during 2024.

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

Three Months Ended September 30,

U.S. Domestic Package	2025 Operating Expenses	2024 Operating Expenses	% Change	2025 Operating Profit	2024 Operating Profit	% Change	2025 Operating Margin	2024 Operating Margin
GAAP	$ 13,617	$ 13,754	(1.0)%	$ 603	$ 843	(28.5)%	4.2 %	5.8 %
Adjusted for:								
Transformation Strategy Costs	(302)	(76)		302	76		2.2 %	0.5 %
Non-GAAP Adjusted Measure	$ 13,315	$ 13,678	(2.7)%	$ 905	$ 919	(1.5)%	6.4 %	6.3 %

International Package	2025 Operating Expenses	2024 Operating Expenses	% Change	2025 Operating Profit	2024 Operating Profit	% Change	2025 Operating Margin	2024 Operating Margin
GAAP	$ 3,997	$ 3,613	10.6 %	$ 676	$ 798	(15.3)%	14.5 %	18.1 %
Adjusted for:								
Transformation Strategy Costs	(15)	6		15	(6)		0.3 %	(0.1)%
Non-GAAP Adjusted Measure	$ 3,982	$ 3,619	10.0 %	$ 691	$ 792	(12.8)%	14.8 %	18.0 %

Supply Chain Solutions	2025 Operating Expenses	2024 Operating Expenses	% Change	2025 Operating Profit	2024 Operating Profit	% Change	2025 Operating Margin	2024 Operating Margin
GAAP	$ 1,997	$ 2,893	(31.0)%	$ 525	$ 344	52.6 %	20.8 %	10.6 %
Adjusted for:								
Transformation Strategy Costs	(11)	(84)		11	84		0.5 %	2.6 %
Gain on Divestiture	—	156		—	(156)		— %	(4.8)%
Non-GAAP Adjusted Measure	$ 1,986	$ 2,965	(33.0)%	$ 536	$ 272	97.1 %	21.3 %	8.4 %

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

	Nine Months Ended September 30,		
(amounts in millions)	**2025**		**2025**
Operating Profit (GAAP)	$ 5,292	**Operating Margin (GAAP)**	8.2 %
Transformation Strategy Costs:		Transformation Strategy Costs:	
Transformation 2.0		*Transformation 2.0*	
Business portfolio review	(18)	*Business portfolio review*	— %
Financial systems	44	*Financial systems*	0.1 %
Transformation 2.0 total	26	*Transformation 2.0 total*	0.1 %
Fit to Serve	47	*Fit to Serve*	0.1 %
Network Redesign and Efficiency Reimagined	387	*Network Redesign and Efficiency Reimagined*	0.6 %
Total Transformation Strategy Costs	460	Total Transformation Strategy Costs	0.8 %
Gain on Divestiture (1)	(20)	Gain on Divestiture (1)	(0.1)%
Goodwill and Asset Impairment Charges (2)	39	Goodwill and Asset Impairment Charges (2)	0.1 %
Non-GAAP Adjusted Operating Profit	$ 5,771	Non-GAAP Adjusted Operating Margin	9.0 %

(amounts in millions)	**2025**
Other Income (Expense) (GAAP)	$ (500)
Goodwill and Asset Impairment Charges (2)	19
Non-GAAP Adjusted Other Income (Expense)	$ (481)

(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)

	Nine Months Ended September 30,
(amounts in millions)	**2025**
Income Tax Expense (GAAP)	$ 1,011
Transformation Strategy Costs:	
Transformation 2.0	
Business portfolio review	(5)
Financial systems	11
Transformation 2.0 total	6
Fit to Serve	10
Network Redesign and Efficiency Reimagined	93
Total Transformation Strategy Costs	109
Gain on Divestiture (1)	(5)
Goodwill and Asset Impairment Charges (2)	9
Reversal of Income Tax Valuation Allowance (3)	109
Non-GAAP Adjusted Income Tax Expense	$ 1,233

(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 reversal of an income tax valuation allowance.

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

Nine Months Ended September 30,

(amounts in millions)	**2025**		**2025**
Net Income (GAAP)	$ 3,781	**Diluted Earnings Per Share (GAAP)**	$ 4.46
Transformation Strategy Costs:		Transformation Strategy Costs:	
Transformation 2.0		*Transformation 2.0*	
Business portfolio review	(13)	*Business portfolio review*	(0.02)
Financial systems	33	*Financial systems*	0.04
Transformation 2.0 total	20	*Transformation 2.0 total*	0.02
Fit to Serve	37	*Fit to Serve*	0.04
Network Redesign and Efficiency Reimagined	294	*Network Redesign and Efficiency Reimagined*	0.35
Total Transformation Strategy Costs	351	Total Transformation Strategy Costs	0.41
Gain on Divestiture (1)	(15)	Gain on Divestiture (1)	(0.02)
Goodwill and Asset Impairment Charges (2)	49	Goodwill and Asset Impairment Charges (2)	0.06
Reversal of Income Tax Valuation Allowance (3)	(109)	Reversal of Income Tax Valuation Allowance (3)	(0.13)
Non-GAAP Adjusted Net Income	$ 4,057	Non-GAAP Adjusted Diluted Earnings Per Share	$ 4.78

(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)

Nine Months Ended September 30,

U.S. Domestic Package	Operating Expenses 2025	Operating Expenses 2024	% Change	Operating Profit 2025	Operating Profit 2024	% Change	Operating Margin 2025	Operating Margin 2024
GAAP	$ 40,265	$ 40,400	(0.3)%	$ 2,498	$ 2,664	(6.2)%	5.8 %	6.2 %
Adjusted for:								
Transformation Strategy Costs	(400)	(93)		400	93		1.0 %	0.2 %
Goodwill and Asset Impairment Charges	—	(5)		—	5		— %	— %
Non-GAAP Adjusted Measure	$ 39,865	$ 40,302	(1.1)%	$ 2,898	$ 2,762	4.9 %	6.8 %	6.4 %

International Package	Operating Expenses 2025	Operating Expenses 2024	% Change	Operating Profit 2025	Operating Profit 2024	% Change	Operating Margin 2025	Operating Margin 2024
GAAP	$ 11,542	$ 10,865	6.2 %	$ 1,989	$ 2,172	(8.4)%	14.7 %	16.7 %
Adjusted for:								
Transformation Strategy Costs	(38)	(36)		38	36		0.3 %	0.2 %
Goodwill and Asset Impairment Charges	—	(2)		—	2		— %	— %
One-Time Int'l Regulatory Matter	—	(88)		—	88		— %	0.7 %
Non-GAAP Adjusted Measure	$ 11,504	$ 10,739	7.1 %	$ 2,027	$ 2,298	(11.8)%	15.0 %	17.6 %

Supply Chain Solutions	Operating Expenses 2025	Operating Expenses 2024	% Change	Operating Profit 2025	Operating Profit 2024	% Change	Operating Margin 2025	Operating Margin 2024
GAAP	$ 7,083	$ 8,962	(21.0)%	$ 805	$ 706	14.0 %	10.2 %	7.3 %
Adjusted for:								
Transformation Strategy Costs	(22)	(98)		22	98		0.3 %	1.0 %
Gain on Divestiture	20	156		(20)	(156)		(0.3)%	(1.6)%
Goodwill and Asset Impairment Charges	(39)	(41)		39	41		0.5 %	0.4 %
Expense for Regulatory Matter	—	(45)		—	45		— %	0.5 %
Non-GAAP Adjusted Measure	$ 7,042	$ 8,934	(21.2)%	$ 846	$ 734	15.3 %	10.7 %	7.6 %

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

(amounts in millions)	Nine Months Ended September 30, 2025
Cash flows from operating activities	$ 5,148
Capital expenditures	(2,969)
Proceeds from disposals of property, plant and equipment	585
Other investing activities	(20)
Free Cash Flow (Non-GAAP measure)	$ 2,744

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

	Three Months Ended September 30,		
	2025	**2024**	**% Change**
Operating Days	64	64	
Average Daily U.S. Domestic Package Volume (in thousands)	16,150	18,407	
U.S. Domestic Package Cost Per Piece (GAAP)	$ 12.92	$ 11.50	12.3 %
Transformation Strategy Costs	(0.29)	(0.06)	
U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece	$ 12.63	$ 11.44	10.4 %

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)

	Nine Months Ended September 30,		
	2025	**2024**	**% Change**
Operating Days	190	191	
Average Daily U.S. Domestic Package Volume (in thousands)	16,707	18,116	
U.S. Domestic Package Cost Per Piece (GAAP)	$ 12.43	$ 11.59	7.2 %
Transformation Strategy Costs	(0.13)	(0.03)	
U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece	$ 12.30	$ 11.56	6.4 %

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

Exhibit 99.2

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

(amounts in millions, except per share data)	Three Months Ended September 30, 2025	2024	Change	% Change
Statement of Income Data:				
Revenue:				
U.S. Domestic Package	$ 14,220	$ 14,597	$ (377)	(2.6)%
International Package	4,673	4,411	262	5.9 %
Supply Chain Solutions	2,522	3,237	(715)	(22.1)%
Total revenue	21,415	22,245	(830)	(3.7)%
Operating expenses:				
U.S. Domestic Package	13,617	13,754	(137)	(1.0)%
International Package	3,997	3,613	384	10.6 %
Supply Chain Solutions	1,997	2,893	(896)	(31.0)%
Total operating expenses	19,611	20,260	(649)	(3.2)%
Operating profit:				
U.S. Domestic Package	603	843	(240)	(28.5)%
International Package	676	798	(122)	(15.3)%
Supply Chain Solutions	525	344	181	52.6 %
Total operating profit	1,804	1,985	(181)	(9.1)%
Other income (expense):				
Other pension income (expense)	47	68	(21)	(30.9)%
Investment income (expense) and other	47	87	(40)	(46.0)%
Interest expense	(291)	(230)	(61)	26.5 %
Total other income (expense)	(197)	(75)	(122)	162.7 %
Income before income taxes	1,607	1,910	(303)	(15.9)%
Income tax expense	296	371	(75)	(20.2)%
Net income	$ 1,311	$ 1,539	$ (228)	(14.8)%
Net income as a percentage of revenue	6.1 %	6.9 %		
Per share amounts:				
Basic earnings per share	$ 1.55	$ 1.80	$ (0.25)	(13.9)%
Diluted earnings per share	$ 1.55	$ 1.80	$ (0.25)	(13.9)%
Weighted-average shares outstanding:				
Basic	848	855	(7)	(0.8)%
Diluted	848	855	(7)	(0.8)%
Non-GAAP Adjusted Income Data [(1)]:				
Operating profit:				
U.S. Domestic Package	$ 905	$ 919	$ (14)	(1.5)%
International Package	691	792	(101)	(12.8)%
Supply Chain Solutions	536	272	264	97.1 %
Total operating profit	2,132	1,983	149	7.5 %
Total other income (expense)	$ (197)	$ (75)	$ (122)	162.7 %
Income before income taxes	$ 1,935	$ 1,908	$ 27	1.4 %
Net income	$ 1,475	$ 1,503	$ (28)	(1.9)%
Basic earnings per share	$ 1.74	$ 1.76	$ (0.02)	(1.1)%
Diluted earnings per share	$ 1.74	$ 1.76	$ (0.02)	(1.1)%

(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 - Third Quarter
(unaudited)

	Three Months Ended September 30,			
	2025	**2024**	**Change**	**% Change**
Revenue (in millions):				
U.S. Domestic Package:				
Next Day Air	$ 2,381	$ 2,396	$ (15)	(0.6)%
Deferred	1,020	1,109	(89)	(8.0)%
Ground	10,525	10,945	(420)	(3.8)%
Cargo and Other	294	147	147	100.0 %
Total U.S. Domestic Package	14,220	14,597	(377)	(2.6)%
International Package:				
Domestic	847	771	76	9.9 %
Export	3,646	3,482	164	4.7 %
Cargo and Other	180	158	22	13.9 %
Total International Package	4,673	4,411	262	5.9 %
Supply Chain Solutions:				
Forwarding	730	1,307	(577)	(44.1)%
Logistics	1,363	1,550	(187)	(12.1)%
Other	429	380	49	12.9 %
Total Supply Chain Solutions	2,522	3,237	(715)	(22.1)%
Consolidated	$ 21,415	$ 22,245	$ (830)	(3.7)%
Consolidated volume (in millions)	1,243	1,378	(135)	(9.8)%
Operating weekdays	64	64	—	0.0 %
Average Daily Package Volume (in thousands):				
U.S. Domestic Package:				
Next Day Air	1,422	1,596	(174)	(10.9)%
Deferred	804	988	(184)	(18.6)%
Ground	13,924	15,823	(1,899)	(12.0)%
Total U.S. Domestic Package	16,150	18,407	(2,257)	(12.3)%
International Package:				
Domestic	1,536	1,483	53	3.6 %
Export	1,733	1,637	96	5.9 %
Total International Package	3,269	3,120	149	4.8 %
Consolidated	19,419	21,527	(2,108)	(9.8)%
Average Revenue Per Piece:				
U.S. Domestic Package:				
Next Day Air	$ 26.16	$ 23.46	$ 2.70	11.5 %
Deferred	19.82	17.54	2.28	13.0 %
Ground	11.81	10.81	1.00	9.3 %
Total U.S. Domestic Package	13.47	12.27	1.20	9.8 %
International Package:				
Domestic	8.62	8.12	0.50	6.2 %
Export	32.87	33.24	(0.37)	(1.1)%
Total International Package	21.48	21.30	0.18	0.8 %
Consolidated	$ 14.82	$ 13.58	$ 1.24	9.1 %

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.
Detail of Operating Expenses - Third Quarter
(unaudited)

(in millions)	Three Months Ended September 30, 2025	2024	Change	% Change
Compensation and benefits	$ 12,118	$ 11,955	$ 163	1.4 %
Repairs and maintenance	803	713	90	12.6 %
Depreciation and amortization	926	905	21	2.3 %
Purchased transportation	2,463	3,375	(912)	(27.0)%
Fuel	1,071	1,068	3	0.3 %
Other occupancy	548	517	31	6.0 %
Other expenses	1,682	1,727	(45)	(2.6)%
Total operating expenses	$ 19,611	$ 20,260	$ (649)	(3.2)%

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)

(amounts in millions, except per share data)	Nine Months Ended September 30, 2025	2024	Change	% Change
Statement of Income Data:				
Revenue:				
U.S. Domestic Package	$ 42,763	$ 43,064	$ (301)	(0.7)%
International Package	13,531	13,037	494	3.8 %
Supply Chain Solutions	7,888	9,668	(1,780)	(18.4)%
Total revenue	64,182	65,769	(1,587)	(2.4)%
Operating expenses:				
U.S. Domestic Package	40,265	40,400	(135)	(0.3)%
International Package	11,542	10,865	677	6.2 %
Supply Chain Solutions	7,083	8,962	(1,879)	(21.0)%
Total operating expenses	58,890	60,227	(1,337)	(2.2)%
Operating profit:				
U.S. Domestic Package	2,498	2,664	(166)	(6.2)%
International Package	1,989	2,172	(183)	(8.4)%
Supply Chain Solutions	805	706	99	14.0 %
Total operating profit	5,292	5,542	(250)	(4.5)%
Other income (expense):				
Other pension income (expense)	122	202	(80)	(39.6)%
Investment income (expense) and other	129	208	(79)	(38.0)%
Interest expense	(751)	(637)	(114)	17.9 %
Total other income (expense)	(500)	(227)	(273)	120.3 %
Income before income taxes	4,792	5,315	(523)	(9.8)%
Income tax expense	1,011	1,254	(243)	(19.4)%
Net income	$ 3,781	$ 4,061	$ (280)	(6.9)%
Net income as a percentage of revenue	5.9 %	6.2 %		
Per share amounts:				
Basic earnings per share	$ 4.46	$ 4.74	$ (0.28)	(5.9)%
Diluted earnings per share	$ 4.46	$ 4.74	$ (0.28)	(5.9)%
Weighted-average shares outstanding:				
Basic	849	856	(7)	(0.8)%
Diluted	849	856	(7)	(0.8)%
Non-GAAP Adjusted Income Data [1]:				
Operating profit:				
U.S. Domestic Package	$ 2,898	$ 2,762	$ 136	4.9 %
International Package	2,027	2,298	(271)	(11.8)%
Supply Chain Solutions	846	734	112	15.3 %
Total operating profit	5,771	5,794	(23)	(0.4)%
Total other income (expense)	$ (481)	$ (221)	$ (260)	117.6 %
Income before income taxes	$ 5,290	$ 5,573	$ (283)	(5.1)%
Net income	$ 4,057	$ 4,255	$ (198)	(4.7)%
Basic earnings per share	$ 4.78	$ 4.97	$ (0.19)	(3.8)%
Diluted earnings per share	$ 4.78	$ 4.97	$ (0.19)	(3.8)%

(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)

	Nine Months Ended September 30, 2025	2024	Change	% Change
Revenue (in millions):				
U.S. Domestic Package:				
Next Day Air	$ 7,035	$ 7,021	$ 14	0.2 %
Deferred	3,093	3,372	(279)	(8.3)%
Ground	31,718	32,410	(692)	(2.1)%
Cargo and Other	917	261	656	251.3 %
Total U.S. Domestic Package	42,763	43,064	(301)	(0.7)%
International Package:				
Domestic	2,448	2,299	149	6.5 %
Export	10,574	10,269	305	3.0 %
Cargo and Other	509	469	40	8.5 %
Total International Package	13,531	13,037	494	3.8 %
Supply Chain Solutions:				
Forwarding	2,188	3,902	(1,714)	(43.9)%
Logistics	4,411	4,638	(227)	(4.9)%
Other	1,289	1,128	161	14.3 %
Total Supply Chain Solutions	7,888	9,668	(1,780)	(18.4)%
Consolidated	$ 64,182	$ 65,769	$ (1,587)	(2.4)%
Consolidated volume (in millions)	3,795	4,053	(258)	(6.4)%
Operating weekdays	190	191	(1)	(0.5)%
Average Daily Package Volume (in thousands):				
U.S. Domestic Package:				
Next Day Air	1,456	1,582	(126)	(8.0)%
Deferred	831	1,008	(177)	(17.6)%
Ground	14,420	15,526	(1,106)	(7.1)%
Total U.S. Domestic Package	16,707	18,116	(1,409)	(7.8)%
International Package:				
Domestic	1,539	1,491	48	3.2 %
Export	1,728	1,613	115	7.1 %
Total International Package	3,267	3,104	163	5.3 %
Consolidated	19,974	21,220	(1,246)	(5.9)%
Average Revenue Per Piece:				
U.S. Domestic Package:				
Next Day Air	$ 25.43	$ 23.24	$ 2.19	9.4 %
Deferred	19.59	17.51	2.08	11.9 %
Ground	11.58	10.93	0.65	5.9 %
Total U.S. Domestic Package	13.18	12.37	0.81	6.5 %
International Package:				
Domestic	8.37	8.07	0.30	3.7 %
Export	32.21	33.33	(1.12)	(3.4)%
Total International Package	20.98	21.20	(0.22)	(1.0)%
Consolidated	$ 14.46	$ 13.66	$ 0.80	5.9 %

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.
Detail of Operating Expenses - Year to Date
(unaudited)

	Nine Months Ended September 30,			
	2025	2024	Change	% Change
(in millions)				
Compensation and benefits	$ 35,571	$ 35,097	$ 474	1.4 %
Repairs and maintenance	2,290	2,165	125	5.8 %
Depreciation and amortization	2,774	2,690	84	3.1 %
Purchased transportation	7,715	9,894	(2,179)	(22.0)%
Fuel	3,187	3,254	(67)	(2.1)%
Other occupancy	1,699	1,573	126	8.0 %
Other expenses	5,654	5,554	100	1.8 %
Total operating expenses	$ 58,890	$ 60,227	$ (1,337)	(2.2)%

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
September 30, 2025 (unaudited) and December 31, 2024 (amounts in millions)

	September 30, 2025	December 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 6,764	$ 6,112
Accounts receivable, net	9,967	10,871
Other current assets	2,254	2,327
Total Current Assets	18,985	19,310
Property, Plant and Equipment, Net	37,743	37,179
Operating Lease Right-Of-Use Assets	4,217	4,149
Goodwill	4,810	4,300
Intangible Assets, Net	3,455	3,064
Deferred Income Tax Assets	158	112
Other Non-Current Assets	2,024	1,956
Total Assets	$ 71,392	$ 70,070
LIABILITIES AND SHAREOWNERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt, commercial paper and finance leases	$ 932	$ 1,838
Current maturities of operating leases	742	733
Accounts payable	5,784	6,302
Accrued wages and withholdings	3,476	3,655
Self-insurance reserves	1,024	1,086
Accrued group welfare and retirement plan contributions	1,221	1,390
Other current liabilities	1,373	1,437
Total Current Liabilities	14,552	16,441
Long-Term Debt and Finance Leases	23,850	19,446
Non-Current Operating Leases	3,687	3,635
Pension and Postretirement Benefit Obligations	6,187	6,859
Deferred Income Tax Liabilities	3,581	3,595
Other Non-Current Liabilities	3,687	3,351
Shareowners' Equity:		
Class A common stock	2	2
Class B common stock	7	7
Additional paid-in capital	178	136
Retained earnings	19,753	20,882
Accumulated other comprehensive loss	(4,117)	(4,309)
Deferred compensation obligations	5	7
Less: Treasury stock	(5)	(7)
Total Equity for Controlling Interests	15,823	16,718
Noncontrolling interests	25	25
Total Shareowners' Equity	15,848	16,743
Total Liabilities and Shareowners' Equity	$ 71,392	$ 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
(In millions, unaudited)

	Nine Months Ended September 30,	
	2025	**2024**
Cash Flows From Operating Activities:		
Net income	$ 3,781	$ 4,061
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	2,774	2,690
Pension and postretirement benefit expense	763	774
Pension and postretirement benefit contributions	(1,338)	(1,434)
Self-insurance reserves	76	14
Deferred tax (benefit) expense	(34)	24
Stock compensation expense (benefit)	41	(21)
Other (gains) losses	(155)	61
Changes in assets and liabilities, net of effects of business acquisitions:		
Accounts receivable	854	1,395
Other assets	(80)	116
Accounts payable	(801)	(829)
Accrued wages and withholdings	(202)	348
Other liabilities	(528)	(335)
Other operating activities	(3)	(57)
Net cash from operating activities	5,148	6,807
Cash Flows From Investing Activities:		
Capital expenditures	(2,969)	(2,811)
Proceeds from disposal of businesses, property, plant and equipment	585	1,070
Purchases of marketable securities	(90)	(52)
Sales and maturities of marketable securities	229	2,725
Acquisitions, net of cash acquired	(479)	(66)
Other investing activities	(10)	(26)
Net cash (used in) from investing activities	(2,734)	840
Cash Flows From Financing Activities:		
Net change in short-term debt	—	(1,272)
Proceeds from long-term borrowings	4,153	2,785
Repayments of long-term borrowings	(1,145)	(1,944)
Purchases of common stock	(1,000)	(500)
Issuances of common stock	133	184
Dividends	(4,045)	(4,049)
Other financing activities	(43)	(207)
Net cash used in financing activities	(1,947)	(5,003)
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	185	5
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	652	2,649
Cash, Cash Equivalents and Restricted Cash:		
Beginning of period	6,112	3,206
End of period	$ 6,764	$ 5,855

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)
(In millions, unaudited)

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from operating activities	$ 5,148	$ 6,807
Capital expenditures	(2,969)	(2,811)
Proceeds from disposals of property, plant and equipment	585	68
Other investing activities	(20)	(26)
Free Cash Flow (Non-GAAP measure)	$ 2,744	$ 4,038

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
September 30,

(amounts in millions)	**2025**	**2024**
Operating Profit (GAAP)	$ 1,804	$ 1,985
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	—	34
Financial systems	13	12
Transformation 2.0 total	13	46
Fit to Serve	19	108
Network Reconfiguration and Efficiency Reimagined	296	—
Total Transformation Strategy Costs	328	154
Gain on Divestiture (6)	—	(156)
Non-GAAP Adjusted Operating Profit	$ 2,132	$ 1,983

	2025	**2024**
Operating Margin (GAAP)	8.4 %	8.9 %
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	— %	0.1 %
Financial systems	0.1 %	0.1 %
Transformation 2.0 total	0.1 %	0.2 %
Fit to Serve	0.1 %	0.5 %
Network Reconfiguration and Efficiency Reimagined	1.4 %	— %
Total Transformation Strategy Costs	1.6 %	0.7 %
Gain on Divestiture (6)	— %	(0.7)%
Non-GAAP Adjusted Operating Margin	10.0 %	8.9 %

(6) Represents a pre-tax gain of $156 million on the divestiture of our Coyote Logistics business within Supply Chain Solutions during 2024.

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
September 30,

(amounts in millions)	**2025**	**2024**
Income Before Income Taxes (GAAP)	$ 1,607	$ 1,910
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	—	34
Financial systems	13	12
Transformation 2.0 total	13	46
Fit to Serve	19	108
Network Reconfiguration and Efficiency Reimagined	296	—
Total Transformation Strategy Costs	328	154
Gain on Divestiture (6)	—	(156)
Non-GAAP Adjusted Income Before Income Taxes	$ 1,935	$ 1,908

(amounts in millions)	**2025**	**2024**
Income Tax Expense (GAAP)	$ 296	$ 371
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	—	8
Financial systems	3	3
Transformation 2.0 total	3	11
Fit to Serve	4	27
Network Reconfiguration and Efficiency Reimagined	71	—
Total Transformation Strategy Costs	78	38
Gain on Divestiture (6)	—	(4)
Reversal of Income Tax Valuation Allowance (7)	86	—
Non-GAAP Adjusted Income Tax Expense	$ 460	$ 405

(6) Represents a pre-tax gain of $156 million on the divestiture of our Coyote Logistics business within Supply Chain Solutions during 2024.
(7) Reflects the 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 September 30,

(amounts in millions)	2025	2024
Net Income (GAAP)	$ 1,311	$ 1,539
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	—	26
Financial systems	10	9
Transformation 2.0 total	10	35
Fit to Serve	15	81
Network Reconfiguration and Efficiency Reimagined	225	—
Total Transformation Strategy Costs	250	116
Gain on Divestiture [6]	—	(152)
Reversal of Income Tax Valuation Allowance [7]	(86)	—
Non-GAAP Adjusted Net Income	$ 1,475	$ 1,503

	2025	2024
Diluted Earnings Per Share (GAAP)	$ 1.55	$ 1.80
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	—	0.03
Financial systems	0.01	0.01
Transformation 2.0 total	0.01	0.04
Fit to Serve	0.02	0.10
Network Reconfiguration and Efficiency Reimagined	0.26	—
Total Transformation Strategy Costs	0.29	0.14
Gain on Divestiture [6]	—	(0.18)
Reversal of Income Tax Valuation Allowance [7]	(0.10)	—
Non-GAAP Adjusted Diluted Earnings Per Share	$ 1.74	$ 1.76

(6) Represents a pre-tax gain of $156 million on the divestiture of our Coyote Logistics business within Supply Chain Solutions during 2024.
(7) Reflects the reversal of an income tax valuation allowance.

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

Three Months Ended September 30,

U.S. Domestic Package	**Operating Expenses 2025**	**Operating Expenses 2024**	**% Change**	**Operating Profit 2025**	**Operating Profit 2024**	**% Change**	**Operating Margin 2025**	**Operating Margin 2024**
GAAP	$ 13,617	$ 13,754	(1.0)%	$ 603	$ 843	(28.5)%	4.2 %	5.8 %
Adjusted for:								
Transformation Strategy Costs	(302)	(76)		302	76		2.2 %	0.5 %
Non-GAAP Adjusted Measure	$ 13,315	$ 13,678	(2.7)%	$ 905	$ 919	(1.5)%	6.4 %	6.3 %

International Package	**Operating Expenses 2025**	**Operating Expenses 2024**	**% Change**	**Operating Profit 2025**	**Operating Profit 2024**	**% Change**	**Operating Margin 2025**	**Operating Margin 2024**
GAAP	$ 3,997	$ 3,613	10.6 %	$ 676	$ 798	(15.3)%	14.5 %	18.1 %
Adjusted for:								
Transformation Strategy Costs	(15)	6		15	(6)		0.3 %	(0.1)%
Non-GAAP Adjusted Measure	$ 3,982	$ 3,619	10.0 %	$ 691	$ 792	(12.8)%	14.8 %	18.0 %

Supply Chain Solutions	**Operating Expenses 2025**	**Operating Expenses 2024**	**% Change**	**Operating Profit 2025**	**Operating Profit 2024**	**% Change**	**Operating Margin 2025**	**Operating Margin 2024**
GAAP	$ 1,997	$ 2,893	(31.0)%	$ 525	$ 344	52.6 %	20.8 %	10.6 %
Adjusted for:								
Transformation Strategy Costs	(11)	(84)		11	84		0.5 %	2.6 %
Gain on Divestiture	—	156		—	(156)		— %	(4.8)%
Non-GAAP Adjusted Measure	$ 1,986	$ 2,965	(33.0)%	$ 536	$ 272	97.1 %	21.3 %	8.4 %

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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 September 30,		
	2025	**2024**	**% Change**
Operating Days	64	64	
Average Daily U.S. Domestic Package Volume (in thousands)	16,150	18,407	
U.S. Domestic Package Cost Per Piece (GAAP)	$ 12.92	$ 11.50	12.3 %
Transformation Strategy Costs	(0.29)	(0.06)	
U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece	$ 12.63	$ 11.44	10.4 %

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)

Nine Months Ended
September 30,

(amounts in millions)	2025	2024
Operating Profit (GAAP)	$ 5,292	$ 5,542
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	(18)	29
Financial systems	44	41
Transformation 2.0 total	26	70
Fit to Serve	47	157
Network Redesign and Efficiency Reimagined	387	—
Total Transformation Strategy Costs	460	227
Gain on Divestiture [1] [6]	(20)	(156)
Goodwill and Asset Impairment Charges [2] [3]	39	48
Expense for Regulatory Matter [4]	—	45
One-Time Payment for Int'l Regulatory Matter [5]	—	88
Non-GAAP Adjusted Operating Profit	$ 5,771	$ 5,794

	2025	2024
Operating Margin (GAAP)	8.2 %	8.4 %
Transformation Strategy Costs:		
Transformation 2.0		
Business portfolio review	— %	— %
Financial systems	0.1 %	0.1 %
Transformation 2.0 total	0.1 %	0.1 %
Fit to Serve	0.1 %	0.2 %
Network Redesign and Efficiency Reimagined	0.6 %	— %
Total Transformation Strategy Costs	0.8 %	0.3 %
Gain on Divestiture [1] [6]	(0.1)%	(0.2)%
Goodwill and Asset Impairment Charges [2] [3]	0.1 %	0.1 %
Expense for Regulatory Matter [4]	— %	0.1 %
One-Time Payment for Int'l Regulatory Matter [5]	— %	0.1 %
Non-GAAP Adjusted Operating Margin	9.0 %	8.8 %

(amounts in millions)	2025	2024
Other Income (Expense) (GAAP)	$ (500)	$ (227)
Goodwill and Asset Impairment Charges [2] [3]	19	—
One-Time Payment for Int'l Regulatory Matter [5]	—	6
Non-GAAP Adjusted Other Income (Expense)	$ (481)	$ (221)

(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 pre-tax impairment charges of $41 million for acquired trade names within Supply Chain Solutions and $7 million for software licenses in 2024.
(4) Reflects expense related to the settlement of a regulatory matter.
(5) Reflects a pre-tax one-time payment for an international regulatory matter of $88 million and related interest of $6 million.
(6) Represents a pre-tax gain of $156 million on the divestiture of our Coyote Logistics business within Supply Chain Solutions during 2024.

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)

Nine Months Ended September 30,

(amounts in millions)	**2025**	**2024**	*(amounts in millions)*	**2025**	**2024**
Income Before Income Taxes (GAAP)	$ 4,792	$ 5,315	**Income Tax Expense (GAAP)**	$ 1,011	$ 1,254
Transformation Strategy Costs:			Transformation Strategy Costs:		
Transformation 2.0			*Transformation 2.0*		
Business portfolio review	(18)	29	*Business portfolio review*	(5)	7
Financial systems	44	41	*Financial systems*	11	10
Transformation 2.0 total	26	70	*Transformation 2.0 total*	6	17
Fit to Serve	47	157	*Fit to Serve*	10	38
Network Redesign and Efficiency Reimagined	387	—	*Network Redesign and Efficiency Reimagined*	93	—
Total Transformation Strategy Costs	460	227	Total Transformation Strategy Costs	109	55
Gain on Divestiture [1] [6]	(20)	(156)	Gain on Divestiture [1] [6]	(5)	(4)
Goodwill and Asset Impairment Charges [2] [3]	58	48	Goodwill and Asset Impairment Charges [2] [3]	9	13
Expense for Regulatory Matter [4]	—	45	Reversal of Income Tax Valuation Allowance [7]	109	—
One-Time Payment for Int'l Regulatory Matter [5]	—	94			
Non-GAAP Adjusted Income Before Income Taxes	$ 5,290	$ 5,573	Non-GAAP Adjusted Income Tax Expense	$ 1,233	$ 1,318

(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 pre-tax impairment charges of $41 million for acquired trade names within Supply Chain Solutions and $7 million for software licenses in 2024.
(4) Reflects expense related to the settlement of a regulatory matter.
(5) Reflects a pre-tax one-time payment for an international regulatory matter of $88 million and related interest of $6 million.
(6) Represents a pre-tax gain of $156 million on the divestiture of our Coyote Logistics business within Supply Chain Solutions during 2024.
(7) Reflects the 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)

Nine Months Ended September 30,

(amounts in millions)		**2025**		**2024**			**2025**		**2024**
Net Income (GAAP)	$	3,781	$	4,061	**Diluted Earnings Per Share (GAAP)**	$	4.46	$	4.74
Transformation Strategy Costs:					Transformation Strategy Costs:				
Transformation 2.0					*Transformation 2.0*				
Business portfolio review		(13)		22	*Business portfolio review*		(0.02)		0.03
Financial systems		33		31	*Financial systems*		0.04		0.04
Transformation 2.0 total		20		53	*Transformation 2.0 total*		0.02		0.07
Fit to Serve		37		119	*Fit to Serve*		0.04		0.14
Network Redesign and Efficiency Reimagined		294		—	*Network Redesign and Efficiency Reimagined*		0.35		—
Total Transformation Strategy Costs		351		172	Total Transformation Strategy Costs		0.41		0.21
Gain on Divestiture (1) (6)		(15)		(152)	Gain on Divestiture (1) (6)		(0.02)		(0.18)
Goodwill and Asset Impairment Charges (2) (3)		49		35	Goodwill and Asset Impairment Charges (2) (3)		0.06		0.04
Expense for Regulatory Matter (4)		—		45	Expense for Regulatory Matter (4)		—		0.05
One-Time Payment for Int'l Regulatory Matter (5)		—		94	One-Time Payment for Int'l Regulatory Matter (5)		—		0.11
Reversal of Income Tax Valuation Allowance (7)		(109)		—	Reversal of Income Tax Valuation Allowance (7)		(0.13)		—
Non-GAAP Adjusted Net Income	$	4,057	$	4,255	**Non-GAAP Adjusted Diluted Earnings Per Share**	$	4.78	$	4.97

(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 pre-tax impairment charges of $41 million for acquired trade names within Supply Chain Solutions and $7 million for software licenses in 2024.
(4) Reflects expense related to the settlement of a regulatory matter.
(5) Reflects a pre-tax one-time payment for an international regulatory matter of $88 million and related interest of $6 million.
(6) Represents a pre-tax gain of $156 million on the divestiture of our Coyote Logistics business within Supply Chain Solutions during 2024.
(7) Reflects the reversal of an income tax valuation allowance.

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

Nine Months Ended September 30,

U.S. Domestic Package	**Operating Expenses 2025**	**Operating Expenses 2024**	**% Change**	**Operating Profit 2025**	**Operating Profit 2024**	**% Change**	**Operating Margin 2025**	**Operating Margin 2024**
GAAP	$ 40,265	$ 40,400	(0.3)%	$ 2,498	$ 2,664	(6.2)%	5.8 %	6.2 %
Adjusted for:								
Transformation Strategy Costs	(400)	(93)		400	93		1.0 %	0.2 %
Goodwill and Asset Impairment Charges	—	(5)		—	5		— %	— %
Non-GAAP Adjusted Measure	$ 39,865	$ 40,302	(1.1)%	$ 2,898	$ 2,762	4.9 %	6.8 %	6.4 %

International Package	**Operating Expenses 2025**	**Operating Expenses 2024**	**% Change**	**Operating Profit 2025**	**Operating Profit 2024**	**% Change**	**Operating Margin 2025**	**Operating Margin 2024**
GAAP	$ 11,542	$ 10,865	6.2 %	$ 1,989	$ 2,172	(8.4)%	14.7 %	16.7 %
Adjusted for:								
Transformation Strategy Costs	(38)	(36)		38	36		0.3 %	0.2 %
Goodwill and Asset Impairment Charges	—	(2)		—	2		— %	— %
One-Time Int'l Regulatory Matter	—	(88)		—	88		— %	0.7 %
Non-GAAP Adjusted Measure	$ 11,504	$ 10,739	7.1 %	$ 2,027	$ 2,298	(11.8)%	15.0 %	17.6 %

Supply Chain Solutions	**Operating Expenses 2025**	**Operating Expenses 2024**	**% Change**	**Operating Profit 2025**	**Operating Profit 2024**	**% Change**	**Operating Margin 2025**	**Operating Margin 2024**
GAAP	$ 7,083	$ 8,962	(21.0)%	$ 805	$ 706	14.0 %	10.2 %	7.3 %
Adjusted for:								
Transformation Strategy Costs	(22)	(98)		22	98		0.3 %	1.0 %
Gain on Divestiture	20	156		(20)	(156)		(0.3)%	(1.6)%
Goodwill and Asset Impairment Charges	(39)	(41)		39	41		0.5 %	0.4 %
Expense for Regulatory Matter	—	(45)		—	45		— %	0.5 %
Non-GAAP Adjusted Measure	$ 7,042	$ 8,934	(21.2)%	$ 846	$ 734	15.3 %	10.7 %	7.6 %

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

	Nine Months Ended September 30,		
	2025	**2024**	**% Change**
Operating Days	190	191	
Average Daily U.S. Domestic Package Volume (in thousands)	16,707	18,116	
U.S. Domestic Package Cost Per Piece (GAAP)	$ 12.43	$ 11.59	7.2 %
Transformation Strategy Costs	(0.13)	(0.03)	
U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece	$ 12.30	$ 11.56	6.4 %

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

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United Parcel Service, Inc.
Aircraft Fleet - As of September 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	87	—	20	—
Boeing 767-300BCF	6	—	—	—
Boeing 767-300BDSF	4	—	—	—
Airbus A300-600	52	—	—	—
Boeing MD-11[1]	27	—	—	—
Boeing 747-400F	11	—	—	—
Boeing 747-400BCF	2	—	—	—
Boeing 747-8F	30	—	—	—
Other	—	222	—	—
Total	294	222	20	—

[1] None of the MD-11 aircraft shown above have been retired from operational use as of September 30, 2025. We anticipate retiring one (1) of the MD-11 aircraft shown above during 2025.

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