

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

FORM 8-K  
CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 28, 2026



**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:**

<b>Title of Each Class</b>	<b>Trading Symbol</b>	<b>Name of Each Exchange on Which Registered</b>
Class B common stock, par value \$0.01 per share	UPS	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 April 28, 2026, United Parcel Service, Inc. (the “Company”) issued a press release containing information about the Company’s results of operations and financial condition for the quarter ended March 31, 2026. The Company also posted on its website at [www.investors.ups.com](http://www.investors.ups.com) financial statement schedules containing additional detail about the Company's results of operations and financial condition for the same period.

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

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

(d) Exhibits

99.1 [Press release](#) dated April 28, 2026

99.2 [Financial statement schedules](#)

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

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

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Signatures

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

Date: April 28, 2026

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

## UPS RELEASES 1Q 2026 EARNINGS

- **Consolidated Revenues of \$21.2B**
- **Consolidated Operating Margin of 6.0%; Non-GAAP Adjusted\* Consolidated Operating Margin of 6.2%**
- **Diluted EPS of \$1.02; Non-GAAP Adj. Diluted EPS of \$1.07**
- **Reaffirms Full Year 2026 Guidance**

ATLANTA – April 28, 2026 – UPS (NYSE:UPS) today announced first-quarter 2026 consolidated revenues of \$21.2 billion. Consolidated operating profit was \$1.27 billion; non-GAAP adjusted consolidated operating profit was \$1.32 billion. Diluted earnings per share were \$1.02 for the quarter; non-GAAP adjusted diluted earnings per share were \$1.07.

For the first quarter of 2026, GAAP results included after-tax transformation charges of \$42 million, or \$0.05 per diluted share.

“I want to thank UPSers around the world for their hard work and efforts, and for pushing our transformation forward,” said Carol Tomé, UPS chief executive officer. “The first quarter of 2026 marked a critical transition period for UPS in which we needed to flawlessly execute several major strategic actions and we delivered. With that behind us, we expect to return to consolidated revenue and operating profit growth, and adjusted operating margin expansion in the second quarter of this year.”

### U.S. Domestic Segment

	<u>1Q 2026</u>	<u>Non-GAAP Adjusted 1Q 2026</u>	<u>1Q 2025</u>	<u>Non-GAAP Adjusted 1Q 2025</u>
Revenue	\$14,125 M		\$14,460 M	
Operating profit	\$515 M	\$565 M	\$979 M	\$1,011 M

- Revenue declined 2.3%, primarily driven by an expected decline in volume. Revenue per piece grew by 6.5%.
- Operating margin was 3.6%; non-GAAP adjusted operating margin was 4.0%.

### International Segment

	<u>1Q 2026</u>	<u>Non-GAAP Adjusted 1Q 2026</u>	<u>1Q 2025</u>	<u>Non-GAAP Adjusted 1Q 2025</u>
Revenue	\$4,540 M		\$4,373 M	
Operating profit	\$547 M	\$551 M	\$641 M	\$654 M

- Revenue increased 3.8%, driven by a 10.7% increase in revenue per piece.
- Operating margin was 12.0%; non-GAAP adjusted operating margin was 12.1%.

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

	<u>1Q 2026</u>	<u>Non-GAAP Adjusted 1Q 2026</u>	<u>1Q 2025</u>	<u>Non-GAAP Adjusted 1Q 2025</u>
Revenue	\$2,537 M		\$2,713 M	
Operating profit	\$205 M	\$206 M	\$46 M	\$98 M

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

- Revenue declined 6.5%, primarily due to a decline in volume in the Mail Innovations business.
- Operating margin was 8.1%; non-GAAP adjusted operating margin was 8.1%.

### 2026 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 full year 2026, the company reaffirms its consolidated financial targets of revenue of approximately \$89.7 billion and non-GAAP adjusted operating margin of approximately 9.6%.

The company also confirms expected capital expenditures of about \$3.0 billion and dividend payments of around \$5.4 billion, subject to board approval. The effective tax rate is still expected to be approximately 23.0%.

\* "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.

### 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 first-quarter results with investors and analysts during a conference call at 8:30 a.m. ET, April 28, 2026. 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 2025 revenue of \$88.7 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 460,000 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, 2025 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, government shutdowns, or geopolitical uncertainty, tensions and/or conflicts in or arising from various countries and regions, including the European Union, Ukraine, the Russian Federation, the Middle East and the Trans-Pacific region; 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

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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, 2025, 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.

#### *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 has included 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.

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Our transformation strategy includes the following programs and initiatives:

**Transformation 2.0:** We reduced spans and layers of management, reviewed and refined our business portfolio and invested in certain technologies to reduce costs, increase visibility and reduce reliance on legacy systems. Costs associated with Transformation 2.0 consisted primarily of compensation and benefit costs related to reductions in our workforce and fees paid to third-party consultants. This initiative was completed in 2025.

**Fit to Serve:** We undertook our Fit to Serve initiative to right-size our business to create a more efficient operating model that was more responsive to market dynamics through a workforce reduction, primarily within management. The initiative was completed 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 Package 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 could continue to lead, to further reductions in our facilities, vehicles, aircraft 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.

Through these initiatives we have reduced our operational workforce and closed certain daily operations at leased and owned buildings. We continue to review expected changes in volume in our integrated air and ground network to identify additional workforce reductions and buildings for closure. In the first three months of 2026, we achieved approximately \$600 million of program cost savings, and expect to achieve approximately \$3 billion in full year-over-year cost savings from this initiative in 2026.

In connection with these *Network Reconfiguration and Efficiency Reimagined* programs, we expect non-GAAP adjusted operating expense to exclude between \$1.3 and \$1.5 billion in cost during 2026, primarily related to employee separation benefits and third-party consulting fees of which \$1.2 billion will be related to the Driver Choice Program. As of March 31, 2026 we had incurred program costs to date of \$599 million, including \$55 million in 2026. These initiatives are expected to conclude by 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 our business performance.

#### *Goodwill and Asset Impairments*

We exclude the impact of goodwill and certain asset impairment charges. We do not consider these charges when evaluating the operating performance of our business units, making decisions to allocate resources or in determining incentive compensation awards.

#### *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, these capital losses were fully realized within the 2025 financial reporting period. 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.

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### *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  
March 31,

<i>(amounts in millions)</i>	2026	2025	2026	2025
<b>Operating Profit (GAAP)</b>	\$ 1,267	\$ 1,666	6.0 %	7.7 %
Transformation Strategy Costs:				
<i>Transformation 2.0</i>	—	16	— %	0.1 %
<i>Fit to Serve</i>	—	19	— %	0.1 %
<i>Network Reconfiguration and Efficiency Reimagined</i>	55	23	0.2 %	0.1 %
Total Transformation Strategy Costs	55	58	0.2 %	0.3 %
Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	39	— %	0.2 %
<b>Non-GAAP Adjusted Operating Profit</b>	<b>\$ 1,322</b>	<b>\$ 1,763</b>	<b>6.2 %</b>	<b>8.2 %</b>

<sup>(1)</sup> Reflects impairment charges for long-lived assets for a business within Supply Chain Solutions in 2025.

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

Three Months Ended

March 31,

<i>(amounts in millions)</i>	2026	2025	<i>(amounts in millions)</i>	2026	2025
<b>Other Income (Expense) (GAAP)</b>	\$ (143)	\$ (143)	<b>Income Before Income Taxes (GAAP)</b>	\$ 1,124	\$ 1,523
Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	19	Transformation Strategy Costs:		
Non-GAAP Adjusted Other Income (Expense)	\$ (143)	\$ (124)	<i>Transformation 2.0</i>	—	16
			<i>Fit to Serve</i>	—	19
			<i>Network Reconfiguration and Efficiency Reimagined</i>	55	23
			<b>Total Transformation Strategy Costs</b>	<b>55</b>	<b>58</b>
			Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	58
			<b>Non-GAAP Adjusted Income Before Income Taxes</b>	<b>\$ 1,179</b>	<b>\$ 1,639</b>

<sup>(1)</sup> Reflects impairment charges for long-lived assets for a business within Supply Chain Solutions as well the write-down of an equity method investment in 2025.

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

Three Months Ended  
March 31,

<i>(amounts in millions)</i>	2026	2025
<b>Income Tax Expense (GAAP)</b>	\$ 260	\$ 336
Transformation Strategy Costs:		
<i>Transformation 2.0</i>	—	4
<i>Fit to Serve</i>	—	4
<i>Network Reconfiguration and Efficiency Reimagined</i>	13	6
Total Transformation Strategy Costs	13	14
Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	9
Reversal of Income Tax Valuation Allowance <sup>(2)</sup>	—	10
<b>Non-GAAP Adjusted Income Tax Expense</b>	<b>\$ 273</b>	<b>\$ 369</b>

<sup>(1)</sup> Reflects impairment charges for long-lived assets for a business within Supply Chain Solutions in 2025.

<sup>(2)</sup> 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  
March 31,

<i>(amounts in millions)</i>	2026	2025	2026	2025
<b>Net Income (GAAP)</b>	\$ 864	\$ 1,187	<b>Diluted Earnings Per Share (GAAP)</b>	\$ 1.02 \$ 1.40
Transformation Strategy Costs:			Transformation Strategy Costs:	
<i>Transformation 2.0</i>	—	12	<i>Transformation 2.0</i>	— 0.01
<i>Fit to Serve</i>	—	15	<i>Fit to Serve</i>	— 0.02
<i>Network Reconfiguration and Efficiency Reimagined</i>	42	17	<i>Network Reconfiguration and Efficiency Reimagined</i>	0.05 0.02
Total Transformation Strategy Costs	42	44	Total Transformation Strategy Costs	0.05 0.05
Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	49	Goodwill and Asset Impairment Charges <sup>(1)</sup>	— 0.05
Reversal of Income Tax Valuation Allowance <sup>(2)</sup>	—	(10)	Reversal of Income Tax Valuation Allowance <sup>(2)</sup>	— (0.01)
<b>Non-GAAP Adjusted Net Income</b>	<b>\$ 906</b>	<b>\$ 1,270</b>	<b>Non-GAAP Adjusted Diluted Earnings Per Share</b>	<b>\$ 1.07 \$ 1.49</b>

<sup>(1)</sup> Reflects impairment charges for long-lived assets for a business within Supply Chain Solutions as well the write-down of an equity method investment in 2025.

<sup>(2)</sup> 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)**

	Three Months Ended March 31,							
	2026	2025		2026	2025		2026	2025
<b>U.S. Domestic Package</b>	<b>Operating Expenses</b>		<b>% Change</b>	<b>Operating Profit</b>		<b>% Change</b>	<b>Operating Margin</b>	
GAAP	\$ 13,610	\$ 13,481	1.0 %	\$ 515	\$ 979	(47.4)%	3.6 %	6.8 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(50)	(32)		50	32		0.4 %	0.2 %
Non-GAAP Adjusted Measure	\$ 13,560	\$ 13,449	0.8 %	\$ 565	\$ 1,011	(44.1)%	4.0 %	7.0 %
<b>International Package</b>	<b>Operating Expenses</b>		<b>% Change</b>	<b>Operating Profit</b>		<b>% Change</b>	<b>Operating Margin</b>	
GAAP	\$ 3,993	\$ 3,732	7.0 %	\$ 547	\$ 641	(14.7)%	12.0 %	14.7 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(4)	(13)		4	13		0.1 %	0.3 %
Non-GAAP Adjusted Measure	\$ 3,989	\$ 3,719	7.3 %	\$ 551	\$ 654	(15.7)%	12.1 %	15.0 %
<b>Supply Chain Solutions</b>	<b>Operating Expenses</b>		<b>% Change</b>	<b>Operating Profit</b>		<b>% Change</b>	<b>Operating Margin</b>	
GAAP	\$ 2,332	\$ 2,667	(12.6)%	\$ 205	\$ 46	345.7 %	8.1 %	1.7 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(1)	(13)		1	13		— %	0.5 %
Goodwill and Asset Impairment Charges	—	(39)		—	39		— %	1.4 %
Non-GAAP Adjusted Measure	\$ 2,331	\$ 2,615	(10.9)%	\$ 206	\$ 98	110.2 %	8.1 %	3.6 %

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

Three Months Ended  
March 31,

<i>(amounts in millions)</i>	2026	2025
Cash flows from operating activities	\$ 2,224	\$ 2,318
Capital expenditures	(1,031)	(876)
Proceeds from disposals of property, plant and equipment	82	65
Other investing activities	5	(20)
Free Cash Flow (Non-GAAP measure)	\$ 1,280	\$ 1,487

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

	Three Months Ended		% Change
	March 31,		
	2026	2025	
Operating Days	62	62	
Average Daily U.S. Domestic Package Volume (in thousands)	16,040	17,443	
<b>U.S. Domestic Package Cost Per Piece (GAAP)</b>	<b>\$ 13.40</b>	<b>\$ 12.22</b>	<b>9.7 %</b>
Transformation Strategy Costs	(0.05)	(0.03)	
<b>U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece</b>	<b>\$ 13.35</b>	<b>\$ 12.19</b>	<b>9.5 %</b>

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

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

**Three Months Ended**  
**March 31,**

(amounts in millions, except per share data)

**Statement of Income Data:**

	2026	2025	Change	% Change
<b>Revenue:</b>				
U.S. Domestic Package	\$ 14,125	\$ 14,460	\$ (335)	(2.3)%
International Package	4,540	4,373	167	3.8 %
Supply Chain Solutions	2,537	2,713	(176)	(6.5)%
Total revenue	21,202	21,546	(344)	(1.6)%
<b>Operating expenses:</b>				
U.S. Domestic Package	13,610	13,481	129	1.0 %
International Package	3,993	3,732	261	7.0 %
Supply Chain Solutions	2,332	2,667	(335)	(12.6)%
Total operating expenses	19,935	19,880	55	0.3 %
<b>Operating profit:</b>				
U.S. Domestic Package	515	979	(464)	(47.4)%
International Package	547	641	(94)	(14.7)%
Supply Chain Solutions	205	46	159	345.7 %
Total operating profit	1,267	1,666	(399)	(23.9)%
<b>Other income (expense):</b>				
Other pension income (expense)	67	37	30	81.1 %
Investment income (expense) and other	56	42	14	33.3 %
Interest expense	(266)	(222)	(44)	19.8 %
Total other income (expense)	(143)	(143)	—	0.0 %
Income before income taxes	1,124	1,523	(399)	(26.2)%
Income tax expense	260	336	(76)	(22.6)%
Net income	\$ 864	\$ 1,187	\$ (323)	(27.2)%
Net income as a percentage of revenue	4.1 %	5.5 %		
<b>Per share amounts:</b>				
Basic earnings per share	\$ 1.02	\$ 1.40	\$ (0.38)	(27.1)%
Diluted earnings per share	\$ 1.02	\$ 1.40	\$ (0.38)	(27.1)%
<b>Weighted-average shares outstanding:</b>				
Basic	850	850	—	0.0 %
Diluted	850	850	—	0.0 %
<b>Non-GAAP Adjusted Income Data <sup>(1)</sup>:</b>				
<b>Operating profit:</b>				
U.S. Domestic Package	\$ 565	\$ 1,011	\$ (446)	(44.1)%
International Package	551	654	(103)	(15.7)%
Supply Chain Solutions	206	98	108	110.2 %
Total operating profit	1,322	1,763	(441)	(25.0)%
Total other income (expense)	\$ (143)	\$ (124)	\$ (19)	15.3 %
Income before income taxes	\$ 1,179	\$ 1,639	\$ (460)	(28.1)%
Net income	\$ 906	\$ 1,270	\$ (364)	(28.7)%
Basic earnings per share	\$ 1.07	\$ 1.49	\$ (0.42)	(28.2)%
Diluted earnings per share	\$ 1.07	\$ 1.49	\$ (0.42)	(28.2)%

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

Certain amounts are calculated based on unrounded numbers.

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

	Three Months Ended			
	March 31,			
	2026	2025	Change	% Change
<b>Revenue (in millions):</b>				
U.S. Domestic Package:				
Next Day Air	\$ 2,354	\$ 2,361	\$ (7)	(0.3)%
Deferred	1,045	1,049	(4)	(0.4)%
Ground	10,438	10,709	(271)	(2.5)%
Cargo and Other	288	341	(53)	(15.5)%
Total U.S. Domestic Package	<u>14,125</u>	<u>14,460</u>	<u>(335)</u>	<u>(2.3)%</u>
International Package:				
Domestic	835	771	64	8.3 %
Export	3,548	3,444	104	3.0 %
Cargo and Other	157	158	(1)	(0.6)%
Total International Package	<u>4,540</u>	<u>4,373</u>	<u>167</u>	<u>3.8 %</u>
Supply Chain Solutions:				
Forwarding	656	726	(70)	(9.6)%
Logistics	1,409	1,572	(163)	(10.4)%
Other	472	415	57	13.7 %
Total Supply Chain Solutions	<u>2,537</u>	<u>2,713</u>	<u>(176)</u>	<u>(6.5)%</u>
Consolidated	<u>\$ 21,202</u>	<u>\$ 21,546</u>	<u>\$ (344)</u>	<u>(1.6)%</u>
Consolidated volume (in millions)	1,189	1,289	(100)	(7.8)%
Operating weekdays	62	62	—	0.0 %
<b>Average Daily Package Volume (in thousands):</b>				
U.S. Domestic Package:				
Next Day Air	1,366	1,520	(154)	(10.1)%
Deferred	806	866	(60)	(6.9)%
Ground	13,868	15,057	(1,189)	(7.9)%
Total U.S. Domestic Package	<u>16,040</u>	<u>17,443</u>	<u>(1,403)</u>	<u>(8.0)%</u>
International Package:				
Domestic	1,471	1,575	(104)	(6.6)%
Export	1,673	1,771	(98)	(5.5)%
Total International Package	<u>3,144</u>	<u>3,346</u>	<u>(202)</u>	<u>(6.0)%</u>
Consolidated	<u>19,184</u>	<u>20,789</u>	<u>(1,605)</u>	<u>(7.7)%</u>
<b>Average Revenue Per Piece:</b>				
U.S. Domestic Package:				
Next Day Air	\$ 27.79	\$ 25.05	\$ 2.74	10.9 %
Deferred	20.91	19.54	1.37	7.0 %
Ground	12.14	11.47	0.67	5.8 %
Total U.S. Domestic Package	<u>13.91</u>	<u>13.06</u>	<u>0.85</u>	<u>6.5 %</u>
International Package:				
Domestic	9.16	7.90	1.26	15.9 %
Export	34.21	31.37	2.84	9.1 %
Total International Package	<u>22.49</u>	<u>20.32</u>	<u>2.17</u>	<u>10.7 %</u>
Consolidated	<u>\$ 15.32</u>	<u>\$ 14.22</u>	<u>\$ 1.10</u>	<u>7.7 %</u>

Certain amounts are calculated based on unrounded numbers.

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

<i>(in millions)</i>	Three Months Ended			
	March 31,			
	2026	2025	Change	% Change
Compensation and benefits	\$ 11,545	\$ 11,827	\$ (282)	(2.4)%
Repairs and maintenance	792	732	60	8.2 %
Depreciation and amortization	985	912	73	8.0 %
Purchased transportation	2,764	2,730	34	1.2 %
Fuel	1,083	1,058	25	2.4 %
Other occupancy	674	607	67	11.0 %
Other expenses	2,092	2,014	78	3.9 %
Total operating expenses	\$ 19,935	\$ 19,880	\$ 55	0.3 %

*Certain amounts are calculated based on unrounded numbers.*

**United Parcel Service, Inc.**  
**Consolidated Balance Sheets**  
**March 31, 2026 (unaudited) and December 31, 2025 (amounts in millions)**

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 5,802	\$ 5,887
Accounts receivable, net	9,948	11,209
Other current assets	2,044	1,949
Total Current Assets	17,794	19,045
Property, Plant and Equipment, Net	38,029	37,731
Operating Lease Right-Of-Use Assets	4,084	4,263
Goodwill	5,796	5,837
Intangible Assets, Net	3,981	4,021
Deferred Income Tax Assets	154	140
Other Non-Current Assets	1,971	2,053
<b>Total Assets</b>	<b>\$ 71,809</b>	<b>\$ 73,090</b>
<b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term debt, commercial paper and finance leases	\$ 637	\$ 608
Current maturities of operating leases	742	763
Accounts payable	5,913	6,633
Accrued wages and withholdings	3,238	3,715
Self-insurance reserves	1,095	1,137
Accrued group welfare and retirement plan contributions	1,414	1,389
Other current liabilities	1,635	1,375
Total Current Liabilities	14,674	15,620
Long-Term Debt and Finance Leases	23,749	23,519
Non-Current Operating Leases	3,534	3,700
Pension and Postretirement Benefit Obligations	6,665	6,567
Deferred Income Tax Liabilities	3,772	3,690
Other Non-Current Liabilities	3,624	3,739
Shareowners' Equity:		
Class A common stock	1	1
Class B common stock	8	8
Additional paid-in capital	382	275
Retained earnings	19,622	20,151
Accumulated other comprehensive loss	(4,250)	(4,208)
Deferred compensation obligations	5	5
Less: Treasury stock	(5)	(5)
Total Equity for Controlling Interests	15,763	16,227
Noncontrolling interests	28	28
<b>Total Shareowners' Equity</b>	<b>15,791</b>	<b>16,255</b>
<b>Total Liabilities and Shareowners' Equity</b>	<b>\$ 71,809</b>	<b>\$ 73,090</b>

*Certain amounts are calculated based on unrounded numbers.*

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

	Three Months Ended	
	March 31,	
	2026	2025
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 864	\$ 1,187
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	985	912
Pension and postretirement benefit expense	215	257
Pension and postretirement benefit contributions	(79)	(67)
Self-insurance reserves	16	1
Deferred tax (benefit) expense	45	(40)
Stock compensation expense	24	21
Other (gains) losses	73	22
Changes in assets and liabilities, net of effects of business acquisitions:		
Accounts receivable	1,085	960
Other assets	(27)	7
Accounts payable	(495)	(906)
Accrued wages and withholdings	(453)	(370)
Other liabilities	29	301
Other operating activities	(58)	33
Net cash from operating activities	2,224	2,318
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(1,031)	(876)
Proceeds from disposal of businesses, property, plant and equipment	82	65
Purchases of marketable securities	—	(90)
Sales and maturities of marketable securities	—	34
Acquisitions, net of cash acquired	—	(478)
Other investing activities	5	(10)
Net cash used in investing activities	(944)	(1,355)
<b>Cash Flows From Financing Activities:</b>		
Proceeds from long-term borrowings	—	25
Repayments of long-term borrowings	(46)	(32)
Purchases of common stock	—	(1,000)
Issuances of common stock	28	55
Dividends	(1,352)	(1,348)
Other financing activities	42	(13)
Net cash used in financing activities	(1,328)	(2,313)
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	(37)	40
<b>Net Decrease in Cash, Cash Equivalents and Restricted Cash</b>	<b>(85)</b>	<b>(1,310)</b>
<b>Cash, Cash Equivalents and Restricted Cash:</b>		
Beginning of period	5,887	6,112
End of period	\$ 5,802	\$ 4,802

Certain amounts are calculated based on unrounded numbers.

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
Cash flows from operating activities	\$ 2,224	\$ 2,318
Capital expenditures	(1,031)	(876)
Proceeds from disposals of property, plant and equipment	82	65
Other investing activities	5	(20)
Free Cash Flow (Non-GAAP measure)	<u>\$ 1,280</u>	<u>\$ 1,487</u>

*Certain amounts are calculated based on unrounded numbers.*

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

**Three Months Ended**  
**March 31,**

<i>(amounts in millions)</i>	2026	2025
<b>Operating Profit (GAAP)</b>	\$ 1,267	\$ 1,666
Transformation Strategy Costs:		
<i>Transformation 2.0</i>	—	16
<i>Fit to Serve</i>	—	19
<i>Network Reconfiguration and Efficiency Reimagined</i>	55	23
Total Transformation Strategy Costs	55	58
Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	39
<b>Non-GAAP Adjusted Operating Profit</b>	<b>\$ 1,322</b>	<b>\$ 1,763</b>

	2026	2025
<b>Operating Margin (GAAP)</b>	6.0 %	7.7 %
Transformation Strategy Costs:		
<i>Transformation 2.0</i>	—	0.1 %
<i>Fit to Serve</i>	— %	0.1 %
<i>Network Reconfiguration and Efficiency Reimagined</i>	0.2 %	0.1 %
Total Transformation Strategy Costs	0.2 %	0.3 %
Goodwill and Asset Impairment Charges <sup>(1)</sup>	— %	0.2 %
<b>Non-GAAP Adjusted Operating Margin</b>	<b>6.2 %</b>	<b>8.2 %</b>

<sup>(1)</sup> Reflects impairment charges for long-lived assets for a business within Supply Chain Solutions in 2025.

*Certain amounts are calculated based on unrounded numbers.*

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

**Three Months Ended**

**March 31,**

<i>(amounts in millions)</i>	2026	2025
<b>Other Income (Expense) (GAAP)</b>	\$ (143)	\$ (143)
Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	19
<b>Non-GAAP Adjusted Other Income (Expense)</b>	<u>(143)</u>	<u>(124)</u>

<i>(amounts in millions)</i>	2026	2025
<b>Income Before Income Taxes (GAAP)</b>	\$ 1,124	\$ 1,523
Transformation Strategy Costs:		
<i>Transformation 2.0</i>	—	16
<i>Fit to Serve</i>	—	19
<i>Network Reconfiguration and Efficiency Reimagined</i>	55	23
<b>Total Transformation Strategy Costs</b>	<u>55</u>	<u>58</u>
Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	58
<b>Non-GAAP Adjusted Income Before Income Taxes</b>	<u>1,179</u>	<u>1,639</u>

<sup>(1)</sup> Reflects impairment charges for long-lived assets for a business within Supply Chain Solutions as well the write-down of an equity method investment in 2025.

*Certain amounts are calculated based on unrounded numbers.*

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

**Three Months Ended**  
**March 31,**

<i>(amounts in millions)</i>	2026	2025
<b>Income Tax Expense (GAAP)</b>	\$ 260	\$ 336
Transformation Strategy Costs:		
<i>Transformation 2.0</i>	—	4
<i>Fit to Serve</i>	—	4
<i>Network Reconfiguration and Efficiency Reimagined</i>	13	6
<b>Total Transformation Strategy Costs</b>	<b>13</b>	<b>14</b>
Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	9
Reversal of Income Tax Valuation Allowance <sup>(2)</sup>	—	10
<b>Non-GAAP Adjusted Income Tax Expense</b>	<b>\$ 273</b>	<b>\$ 369</b>

<sup>(1)</sup> Reflects impairment charges for long-lived assets for a business within Supply Chain Solutions in 2025.

<sup>(2)</sup> Reflects the partial reversal of an income tax valuation allowance.

*Certain amounts are calculated based on unrounded numbers.*

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

**Three Months Ended**  
**March 31,**

<i>(amounts in millions)</i>	2026	2025		2026	2025
<b>Net Income (GAAP)</b>	\$ 864	\$ 1,187	<b>Diluted Earnings Per Share (GAAP)</b>	\$ 1.02	\$ 1.40
Transformation Strategy Costs:			Transformation Strategy Costs:		
<i>Transformation 2.0</i>	—	12	<i>Transformation 2.0</i>	—	0.01
<i>Fit to Serve</i>	—	15	<i>Fit to Serve</i>	—	0.02
<i>Network Reconfiguration and Efficiency Reimagined</i>	42	17	<i>Network Reconfiguration and Efficiency Reimagined</i>	0.05	0.02
Total Transformation Strategy Costs	42	44	Total Transformation Strategy Costs	0.05	0.05
Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	49	Goodwill and Asset Impairment Charges <sup>(1)</sup>	—	0.05
Reversal of Income Tax Valuation Allowance <sup>(2)</sup>	—	(10)	Reversal of Income Tax Valuation Allowance <sup>(2)</sup>	—	(0.01)
Non-GAAP Adjusted Net Income	\$ 906	\$ 1,270	Non-GAAP Adjusted Diluted Earnings Per Share	\$ 1.07	\$ 1.49

<sup>(1)</sup> Reflects impairment charges for long-lived assets for a business within Supply Chain Solutions as well the write-down of an equity method investment in 2025.

<sup>(2)</sup> Reflects the partial reversal of an income tax valuation allowance.

*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 March 31,				
	2026	2025	% Change	2026	2025	% Change	2026	2025
<b>U.S. Domestic Package</b>	<b>Operating Expenses</b>			<b>Operating Profit</b>			<b>Operating Margin</b>	
GAAP	\$ 13,610	\$ 13,481	1.0 %	\$ 515	\$ 979	(47.4)%	3.6 %	6.8 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(50)	(32)		50	32		0.4 %	0.2 %
Non-GAAP Adjusted Measure	\$ 13,560	\$ 13,449	0.8 %	\$ 565	\$ 1,011	(44.1)%	4.0 %	7.0 %
<b>International Package</b>	<b>Operating Expenses</b>			<b>Operating Profit</b>			<b>Operating Margin</b>	
GAAP	\$ 3,993	\$ 3,732	7.0 %	\$ 547	\$ 641	(14.7)%	12.0 %	14.7 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(4)	(13)		4	13		0.1 %	0.3 %
Non-GAAP Adjusted Measure	\$ 3,989	\$ 3,719	7.3 %	\$ 551	\$ 654	(15.7)%	12.1 %	15.0 %
<b>Supply Chain Solutions</b>	<b>Operating Expenses</b>			<b>Operating Profit</b>			<b>Operating Margin</b>	
GAAP	\$ 2,332	\$ 2,667	(12.6)%	\$ 205	\$ 46	345.7 %	8.1 %	1.7 %
<i>Adjusted for:</i>								
Transformation Strategy Costs	(1)	(13)		1	13		— %	0.5 %
Goodwill and Asset Impairment Charges	—	(39)		—	39		— %	1.4 %
Non-GAAP Adjusted Measure	\$ 2,331	\$ 2,615	(10.9)%	\$ 206	\$ 98	110.2 %	8.1 %	3.6 %

Certain amounts are calculated based on unrounded numbers.

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

	Three Months Ended		% Change
	March 31,		
	2026	2025	
Operating Days	62	62	
Average Daily U.S. Domestic Package Volume (in thousands)	16,040	17,443	
<b>U.S. Domestic Package Cost Per Piece (GAAP)</b>	\$ 13.40	\$ 12.22	9.7 %
Transformation Strategy Costs	(0.05)	(0.03)	
U.S. Domestic Package Non-GAAP Adjusted Cost Per Piece	\$ 13.35	\$ 12.19	9.5 %

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

*Certain amounts are calculated based on unrounded numbers.*

**United Parcel Service, Inc.**  
**Aircraft Fleet - As of March 31, 2026**  
(unaudited)

Description	UPS Owned and/or Operated	Charters & Leases Operated by Others	On Order	Under Option
Boeing 757-200	75	—	—	—
Boeing 767-300	92	—	15	—
Boeing 767-300BCF	6	—	—	—
Boeing 767-300BDSF	4	—	—	—
Airbus A300-600	52	—	—	—
Boeing 747-400F	11	—	—	—
Boeing 747-400BCF	2	—	—	—
Boeing 747-8F	30	—	—	—
Other	—	218	—	—
Total	272	218	15	—

*Certain amounts are calculated based on unrounded numbers.*