Strong Today. Creating Our Tomorrow.

2018 UPS Transformation Conference
Forward-Looking Statements

This presentation contains and refers to “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are all statements, other than those of historical fact, and may be accompanied by terms such as “believe,” “project,” “expect,” “estimate,” “assume,” “intend,” “anticipate,” “target,” “plan,” and variations thereof. Forward-looking statements are made subject to safe harbor protections of the federal securities laws pursuant to Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

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 such forward-looking statements because such statements speak only as of the date when made.

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, both in the U.S. and internationally; significant competition on a local, regional, national, and international basis; changes in our relationships with our significant customers; the existing complex and stringent regulation in the U.S. and internationally (including tax laws and regulations), changes to which can impact our business; increased physical or data security requirements that may increase our costs of operations and reduce operating efficiencies; legal, regulatory or market responses to global climate change; strikes, work stoppages and slowdowns by our employees; the effects of changing prices of energy, including gasoline, diesel and jet fuel, and interruptions in supplies of these commodities; changes in exchange rates or interest rates; our ability to maintain the image of our brand; breaches in data security; disruptions to the Internet or our technology infrastructure; interruption of our business from severe weather or other natural or man-made disasters including terrorism; our ability to accurately forecast our future capital investment needs; exposure to changing economic, political and social developments in international and emerging markets; changes in business strategy, government regulations, or economic or market conditions that may result in substantial impairment of our assets; increases in our expenses or funding obligations relating to employee health, retiree health and/or pension benefits; potential additional tax liabilities both in the U.S. and internationally; the potential for various claims and litigation related to labor and employment, personal injury, property damage, business practices, environmental liability and other matters; our ability to realize the anticipated benefits from acquisitions, joint ventures or strategic alliances; our ability to manage insurance and claims expenses; 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, 2017 and subsequent reports filed with the Securities and Exchange Commission. 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.

Information included herein, including comparisons to prior periods, may reflect adjusted results. See the appendix for reconciliations of adjusted results and other non-GAAP financial measures.
Operations and Customer-Facing Technology

Juan Perez
Chief Information and Engineering Officer
UPS Technology is...

Interacting with our network now even easier

Connecting with customers and providing answers

Allowing our drivers to adjust to changing conditions
Investing in automation, capacity, visibility and delivery solutions for customers worldwide

Network supports growing demands of e-commerce, healthcare and global expansion

Restructured IT and engineering creates synergies

Formed Advanced Technology Group to reduce complexity and speed implementation of network technology

Smart Logistics Network of the Future
Enhancing Operations

Customer Engagement
Integrating Physical and Virtual Network

The UPS Cloud

- Customer Engagement Platforms
- Operations Management & Execution
- Network Planning & Optimization
- Route Optimization
- Mobility

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Operational Technologies

Operations Management & Execution

Route Optimization

Network Planning & Optimization

Mobility

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Network Planning & Optimization
Operations Management & Execution
Route Optimization
Mobility
Enhancing Operations

Automating Facilities

70 new or expanded package facilities and hubs coming online worldwide

7 automated Super-Hubs

30 to 35% productivity improvement
Automating Facilities

Adding more than 400,000 additional PPH in 2018

Automated facilities processing 100% of eligible U.S. volume by 2022

Reduces cost and increases efficiency
Customer Engagement

Platforms For Engaging Customers

Using technology to simplify and create value

Digitization enables better tracking and visibility

Customer-centric model adds personalization

Tools like UPS My Choice empower customers
Advanced Technology Group

Drones

Robotics and automation

Smart package

Containerization

Blockchain
Align technology with the business strategy

Technology: Our Transformation Engine

Streamline processes and improving functionality

Optimizing efficiency, reducing cost and increasing customer engagement

Realigning UPS IT for quicker application development

Expanding use of cloud technologies
Strong Today. Creating Our Tomorrow.