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.
UPS Go-To-Market
The UPS Brand

Trustworthy
Dependable
Reliable
Entrepreneurship
Agility
Digital competencies
Four Strategic Imperatives

FUELING UPS GROWTH

1. International high-growth markets
2. Global B2B and B2C e-commerce
3. Healthcare and life sciences
4. Small and medium-sized businesses
International Market Growth

Trade expanding as B2B and B2C cross-border transactions increase

Industry and geo-specific products providing customers with strong global platform
Healthcare and Life Sciences

$85B outsourced healthcare logistics market - climbing to $105B by 2021

UPS Healthcare holds double-digit share of U.S. market

Personalized medicine and digital services driving home health care opportunities

Vast residential network, special packaging, enhanced tracking/visibility and time-definite delivery solutions

Regulatory compliance
Marken Capabilities

Leader in global inbound clinical trials
Hybrid shipping solution
Direct-to-patient and direct-from-patient
Investing in Healthcare Quality Assurance Capabilities

Leveraging investments in technology for greater visibility and control

 Delivering innovations for critical healthcare shippers like UPS Pro Active Response

Value equates to attractive margins
SMB Market

30% of U.S. volume generating half of revenue

U.S. SMBs ship more than 14 million higher-margin packages per day with a relatively high percentage shipped internationally
The UPS Store®

UPS lockers and drop boxes

UPS Access Point™
Enhancing Digital Marketing Capabilities

UPS.com and other digital channels

Improving simplicity and pricing velocity with advanced analytics

Determining most-effective bespoke offers
B2B Innovations for SMBs

New fulfillment options
Shipping integration solutions
Shopify Checkout App
Ware2Go
Launching New Business Application

Specific features for businesses
- Visibility enhancements
- Consolidated delivery alerts
- Delivery change options
Capturing Global E-Commerce Growth

RAPIDLY EXPANDING MARKET

$1.2T B2B e-commerce sales by 2021

28% increase in cross-border e-commerce over next 3 years
More than 51 Million UPS My Choice Users
Platform Shipping Integration Solutions

Customer Technology Partnership

UPS shipping embedded into 50 software applications

Discounted price when linked to UPS shipping contract

UPS Ready Program

More than 100 software programs fully integrated with UPS shipping
Global B2B & B2C Customers

One-stop tech platform

UPS Access Point network

The UPS Store consolidated returns program

Connected commerce

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