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.
The UPS Vision

David Abney
Chairman
and Chief Executive Officer
Transformation Enables Our Strategy

- Powerful U.S. Business
- Strong and Balanced Growth
- Market Differentiation

- Improved Revenue Per Package
- Higher Level Of Earnings Growth
- World-Class ROIC
Focus of Transformation

**Growth**
Pursue high-quality revenue in growth markets

**Efficiency**
Use efficiency and cost reduction to grow margins

**Culture**
Develop talent and culture of continuous transformation
Investing To Grow

SMART GLOBAL LOGISTICS NETWORK

Expanding capacity

Enhancing services and solutions

Increasing efficiency through digital technology and automation

Smart.
Highly Integrated.
Efficient.
UPS
Future Vision

Fastest, most technology-enabled and responsive company in the industry
Unmatched Global Network

Connecting more than 2.5 million businesses every day
In more than 220 countries and territories
10.5 million consumers and consignees each day
Continue to invest in our network
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
Greater Benefits From Scale

Centralizing functions
Streamlining processes
Reducing organizational layers
Creating a Culture of Continuous Transformation

Blending new skills and perspectives with deep UPS knowledge...

...to deliver attractive returns.
The UPS Transformation Story

Strategy and Transformation
Scott Price

UPS Go-To-Market
Kevin Warren

Solution and Customer Experience
Kate Gutmann

Operations and Customer-Facing Technology
Juan Perez

Driving Execution in Our Business
Jim Barber

Financial Benefits of Transformation
Richard Peretz
*Incremental

$1.00 - $1.20

Earnings Per Share

By 2022

*Adjusted Earnings Per Share
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