

# UPS BY THE NUMBERS

Record Profits for UPS

Record Leverage for Teamsters

Analysis by Chris Bohner/Radish Research on Behalf of Teamsters for a Democratic Union

# Outline

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1. Key UPS Financials

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2. Share of the Pie:  
UPS vs Workers

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3. UPS vs the Competition

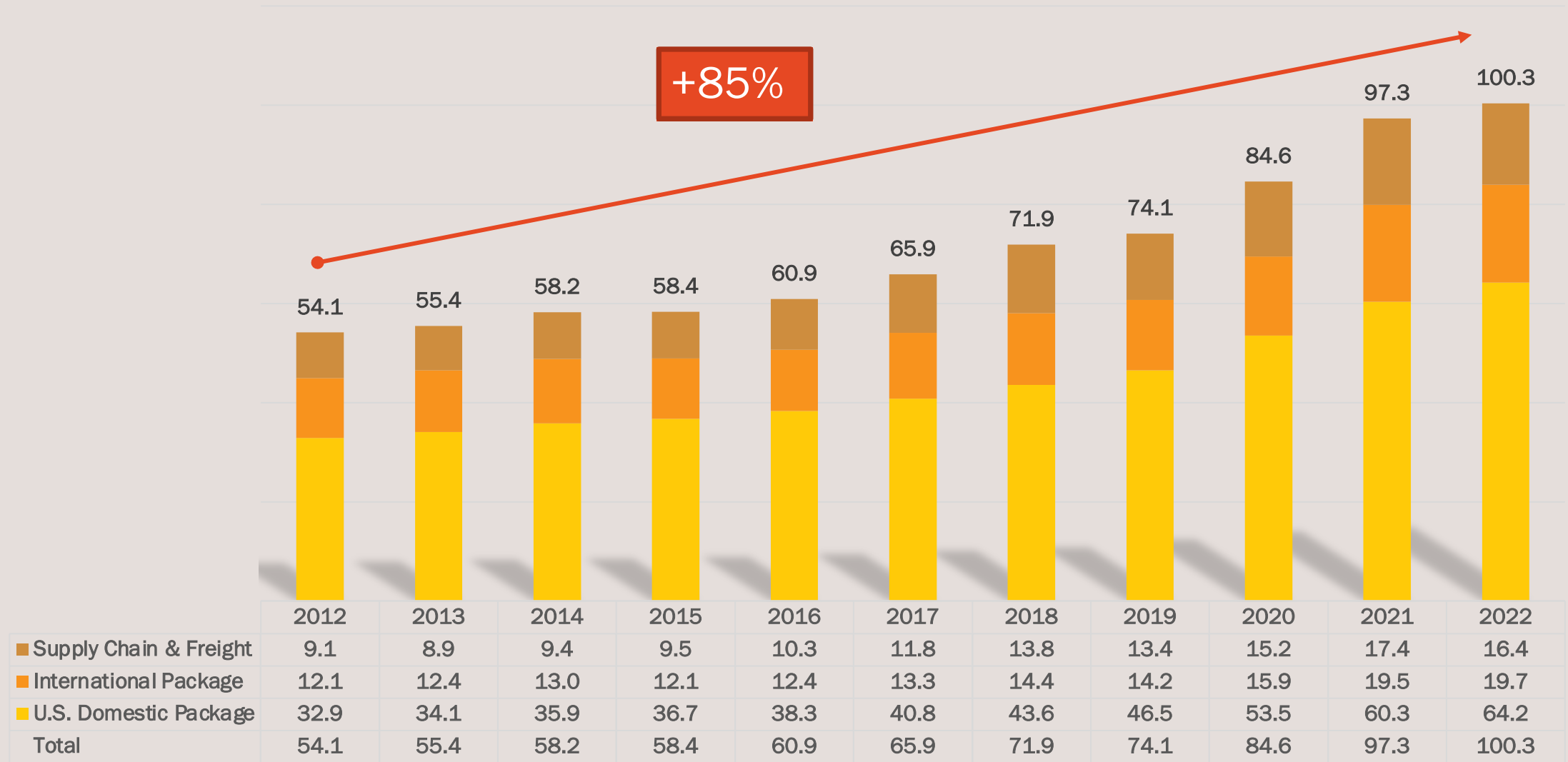
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4. UPS Strike Analysis

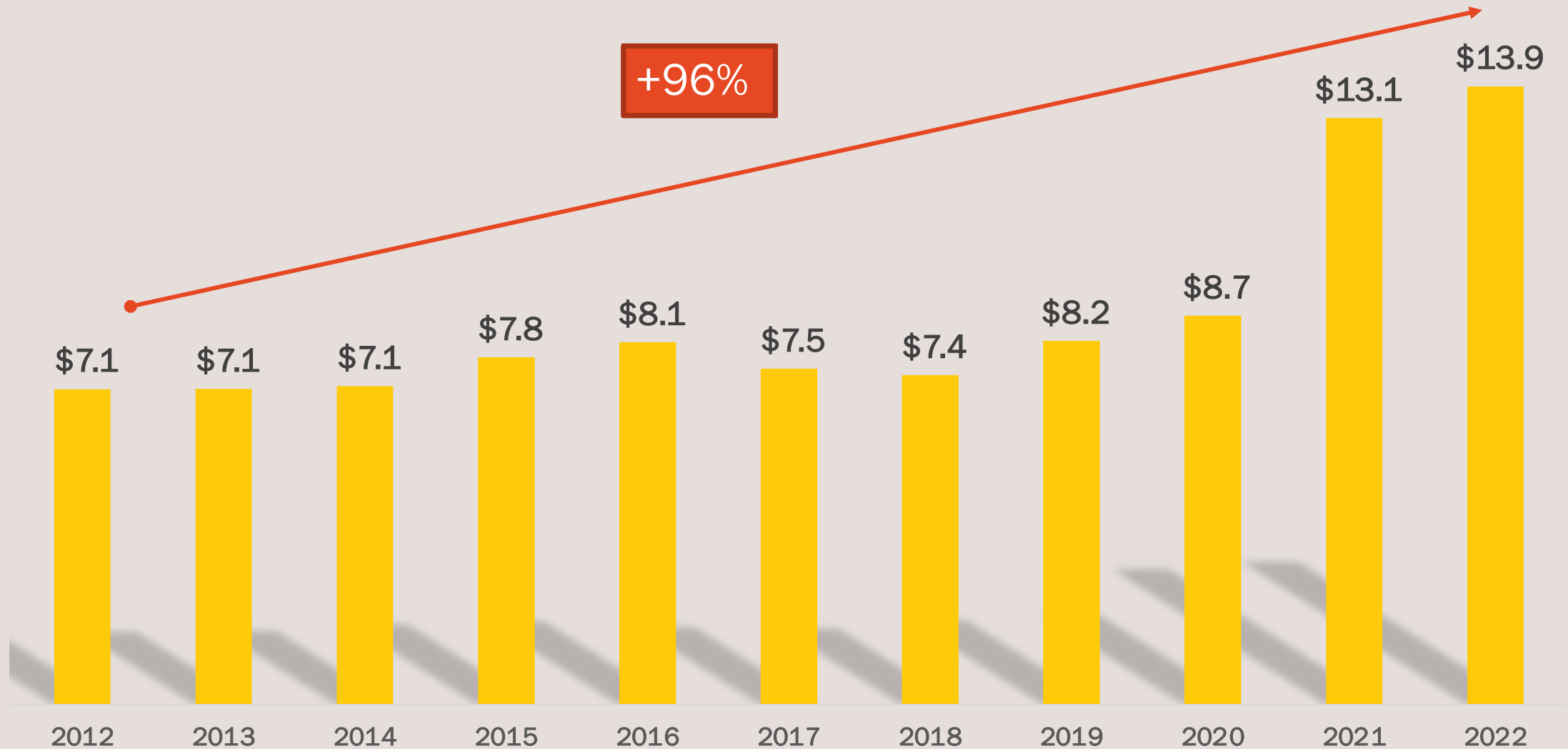
# 1. KEY UPS FINANCIALS



# UPS Revenues (\$Billions): 2012-2022

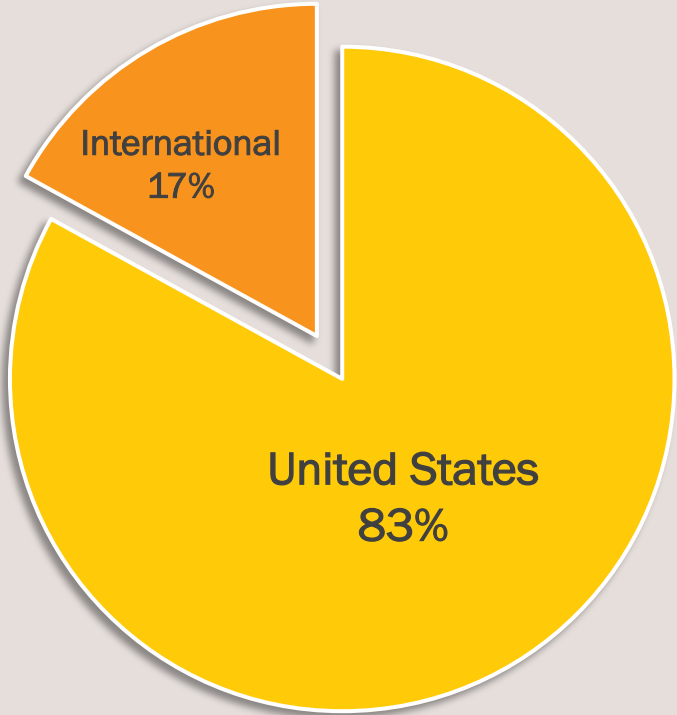


# UPS Operating Profit (\$Billions): 2012-2022

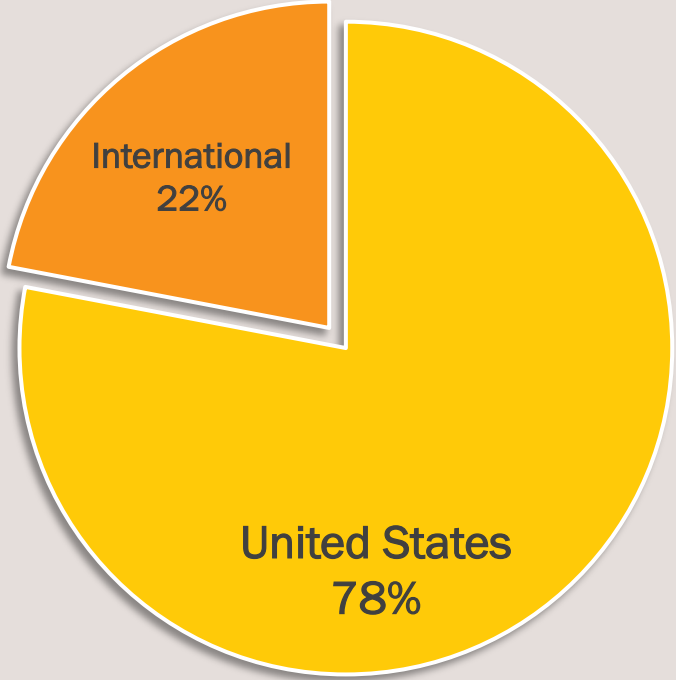


# UPS Business and Employees Concentrated in the United States: 2022

Employees



Revenues

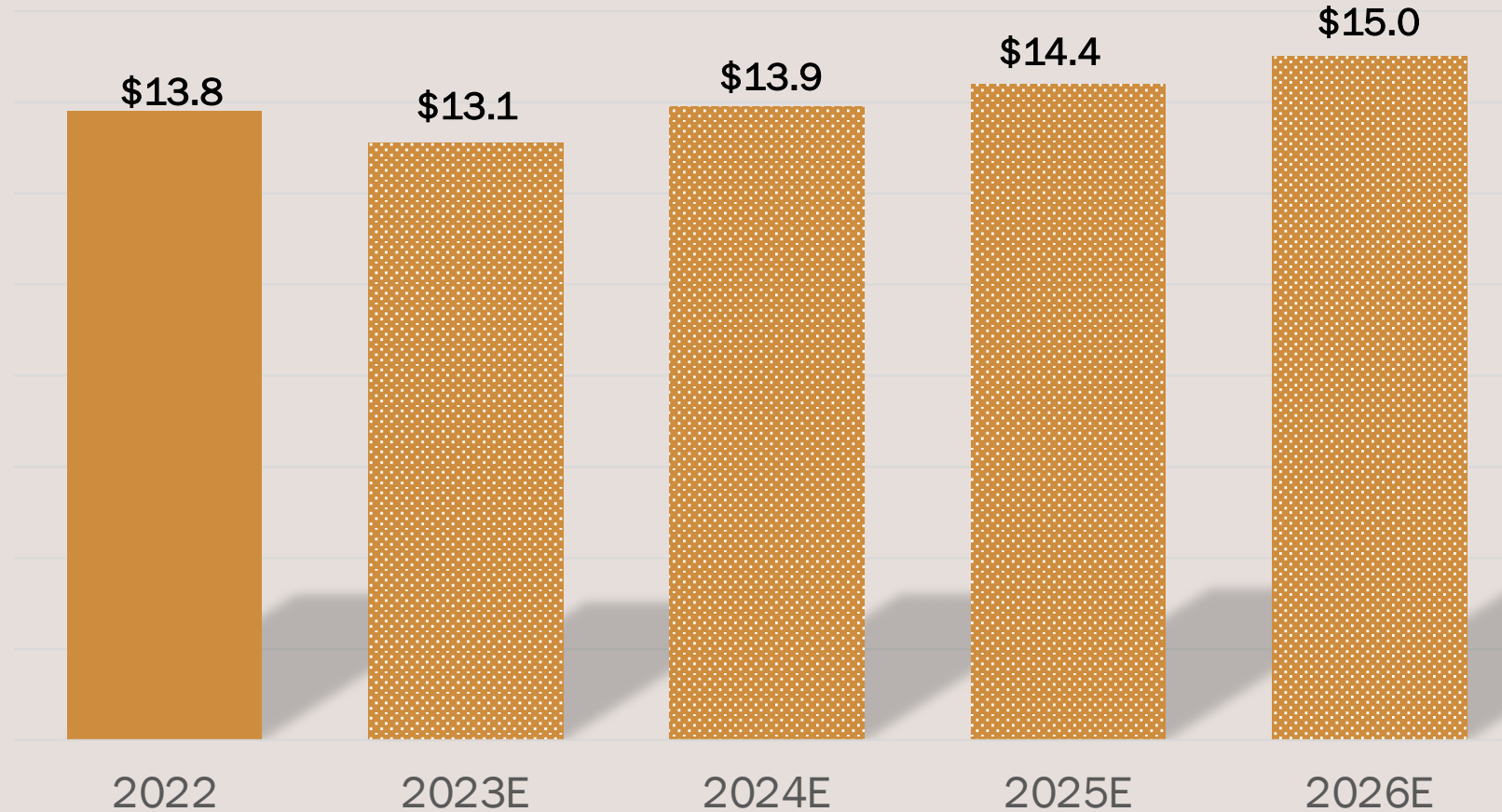


# UPS Share Price



# And the Future at UPS is Bright...

UPS Projected Operating Profits/EBIT  
(\$ Billions)

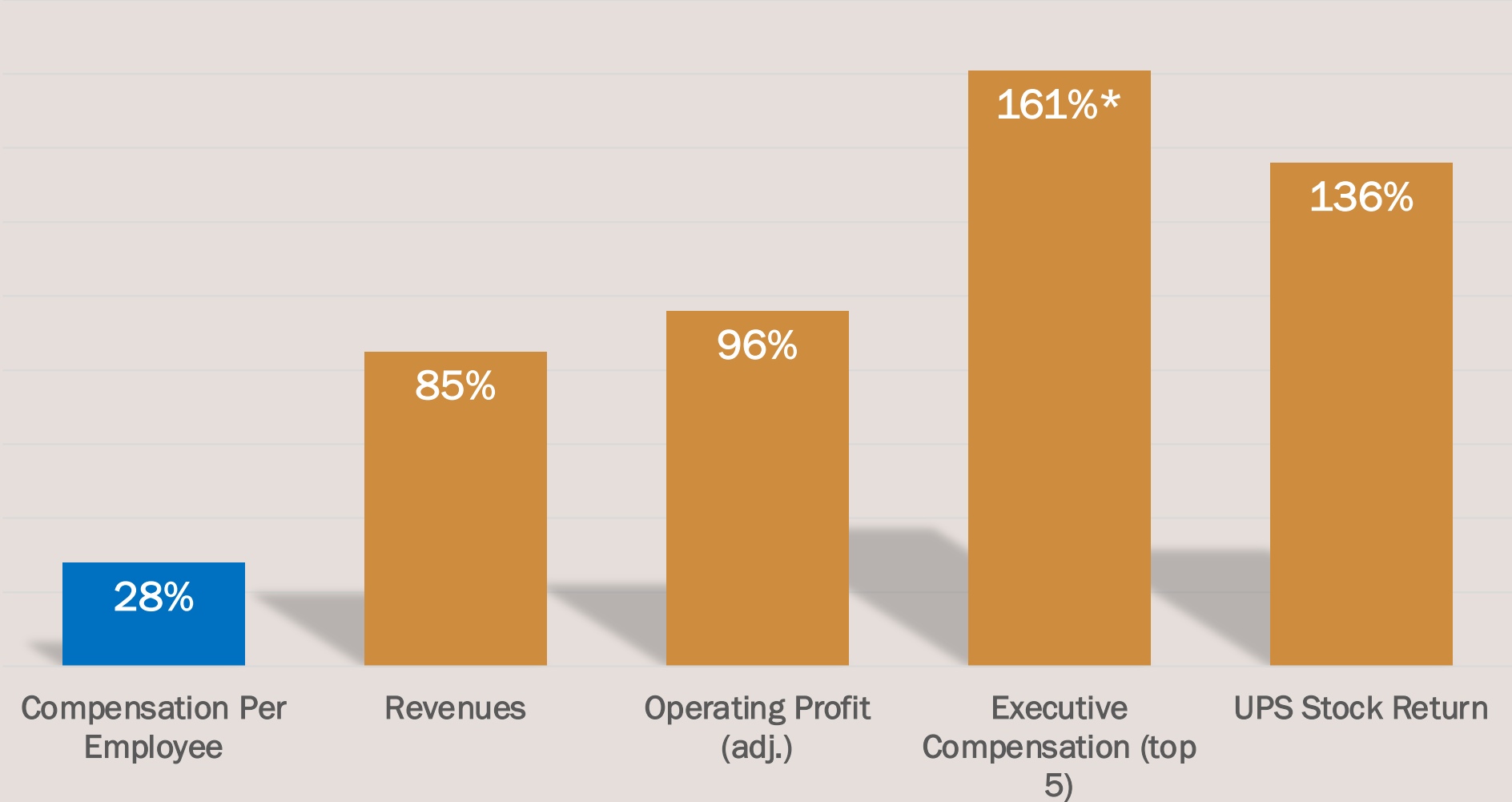




## 2. SHARE OF THE PIE: UPS VS WORKERS

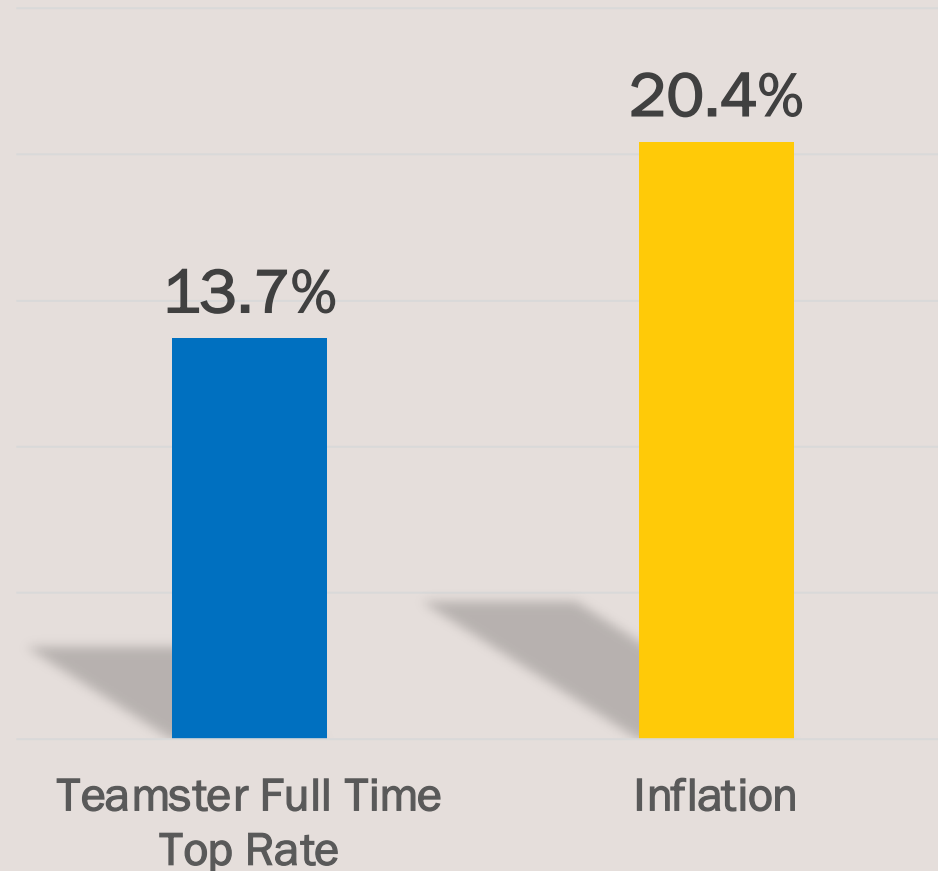


# Employee Compensation vs Key UPS Financial Metrics: 2012-2022



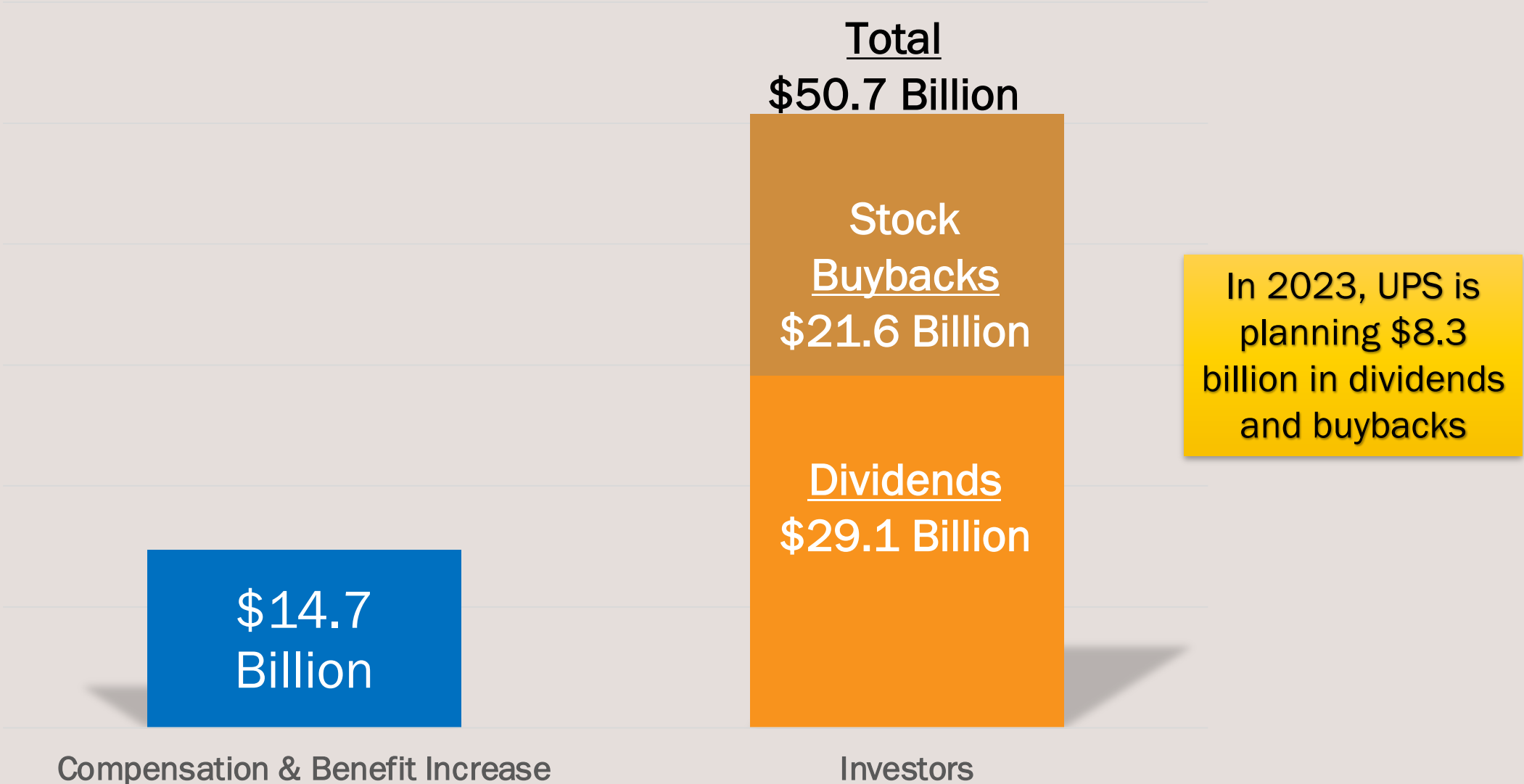
Source: UPS SEC Filings; Morningstar \*2011-2021; 2022 data not available

# UPS Full-Time Wage Increase vs. Inflation: 8/2017-8/2022



- If the full-time top wage rate rose at the same level as inflation, workers would be making **over \$5,000** more a year in 2022-23, or **\$2.45** more an hour.
- Part-Timers - Paid same rate as drivers until 1982
  - *If part-time wages rose at the same level as inflation since 1982, part-time starting pay would be over **\$25** an hour*

# Workers versus Investors: 2012-2022

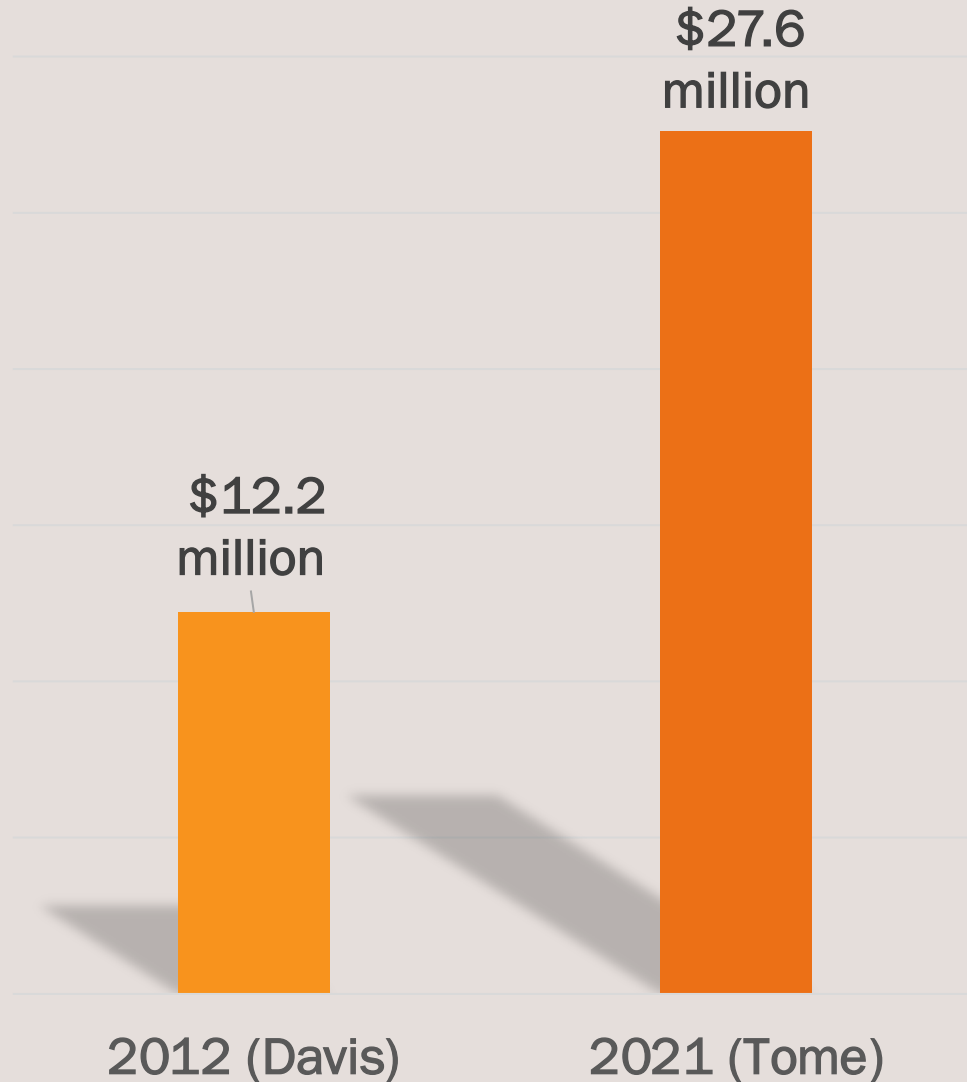


# Who Owns UPS?

| Company                       | %             |
|-------------------------------|---------------|
| Vanguard Group                | 9.26%         |
| Blackrock Inc.                | 7.93%         |
| State Street Corporation      | 3.90%         |
| JP Morgan Chase & Company     | 3.29%         |
| Fidelity                      | 2.56%         |
| Bank of America Corporation   | 2.24%         |
| Geode Capital Management, LLC | 1.75%         |
| Ameriprise Financial, Inc.    | 1.35%         |
| Northern Trust Corporation    | 1.25%         |
| T. Rowe Price                 | 1.24%         |
| <b>TOP TEN</b>                | <b>34.77%</b> |

- 72% of UPS stock is held by Wall Street institutions
- The top 10 shareholders control 35% of shares

# CEO Pay

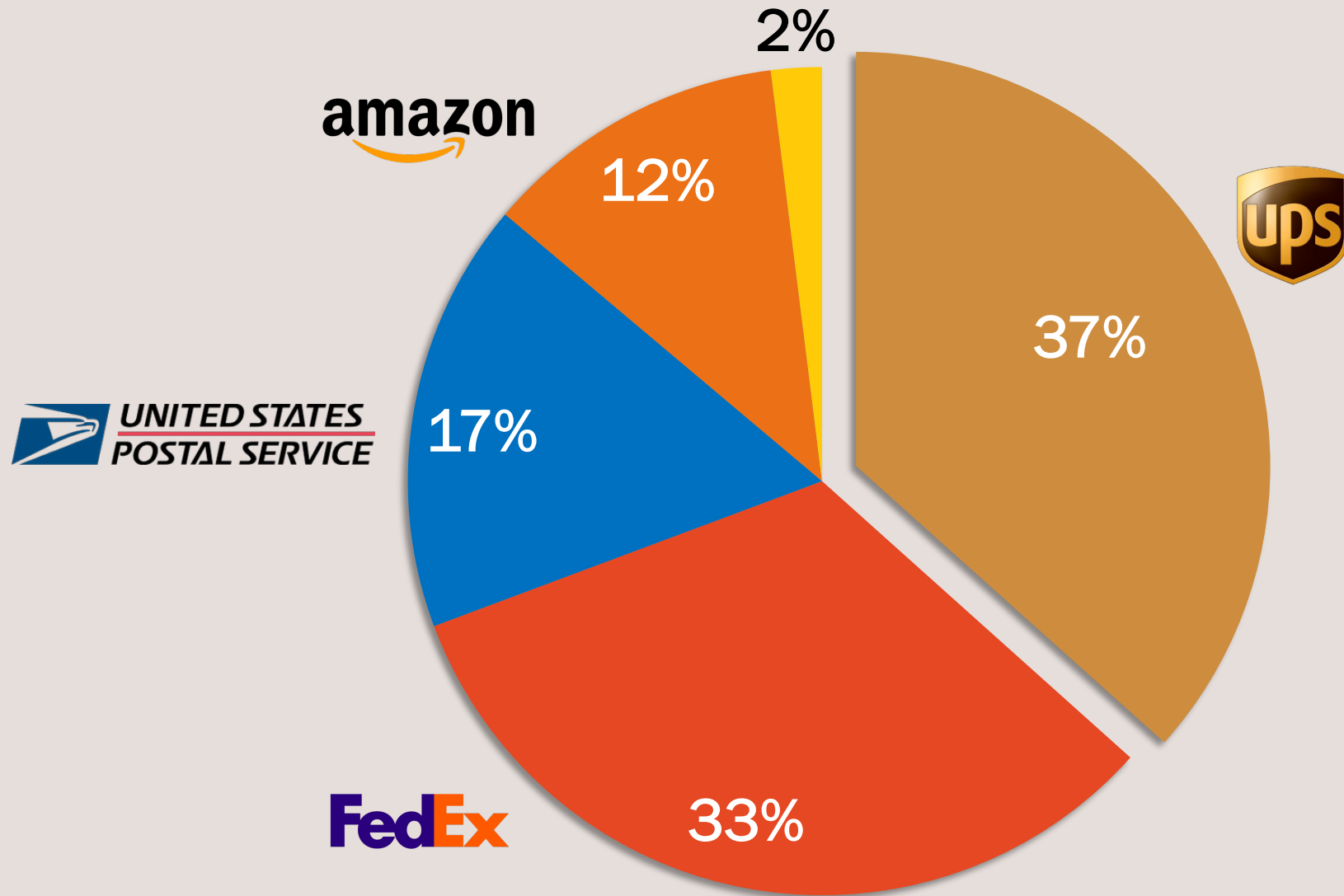


**Carol B. Tomé**  
Chief Executive Officer  
(since June 2020)  
Director since 2003

- \$27,620,893 in salary, bonus, stock options, stock awards and other compensation
- In 2021, UPS disclosed that the ratio of CEO pay to median worker pay was 548-to-1.
- Median worker pay was \$50,379

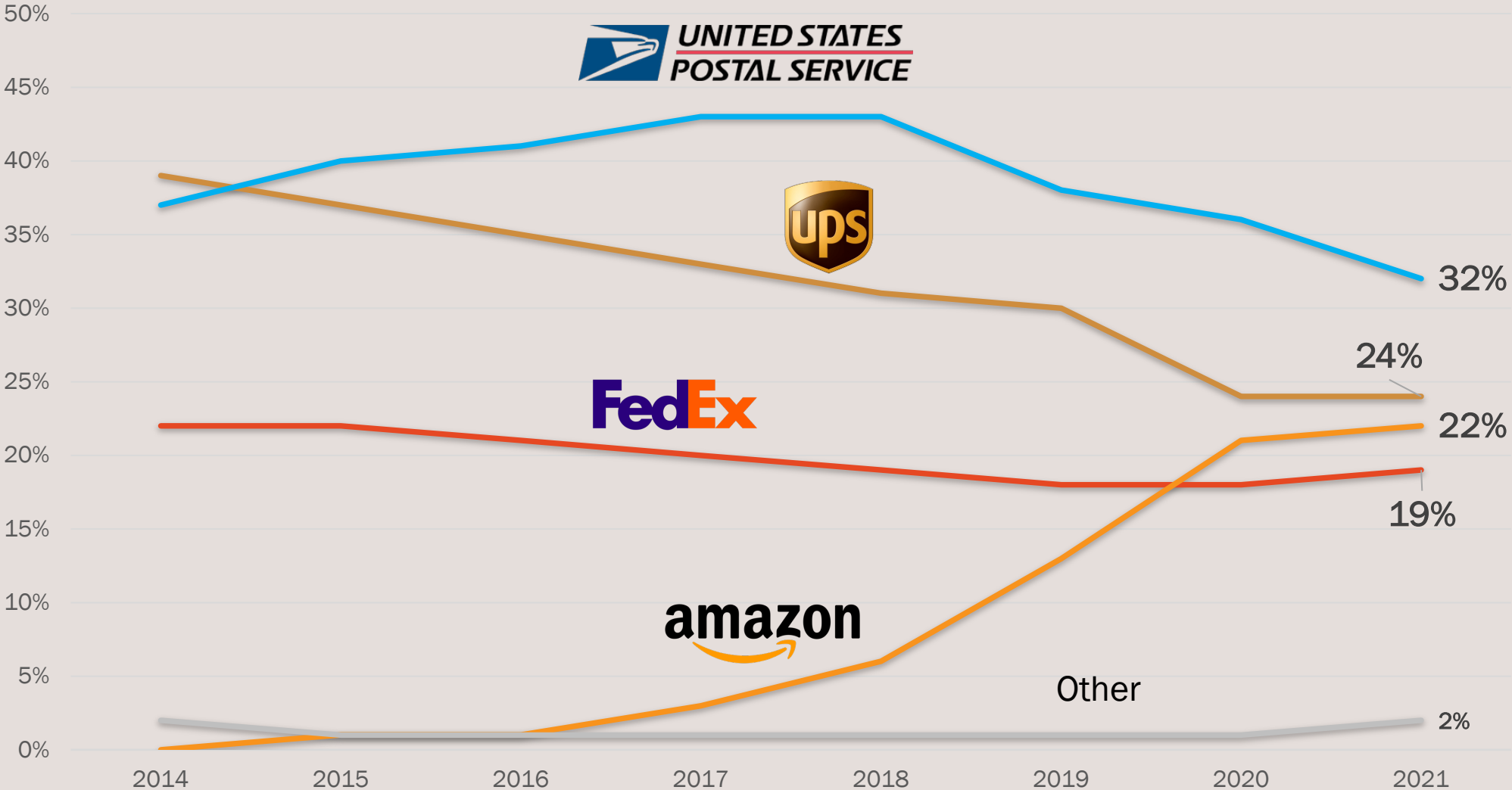
# 3. UPS VS COMPETITION

# U.S. Package Delivery Market Share by Revenue: 2021





# Market Share of U.S. Parcel Volume: 2014-2021



Source: Pitney Bowes Parcel Shipping Index 2021

# UPS Competitors Have Problems

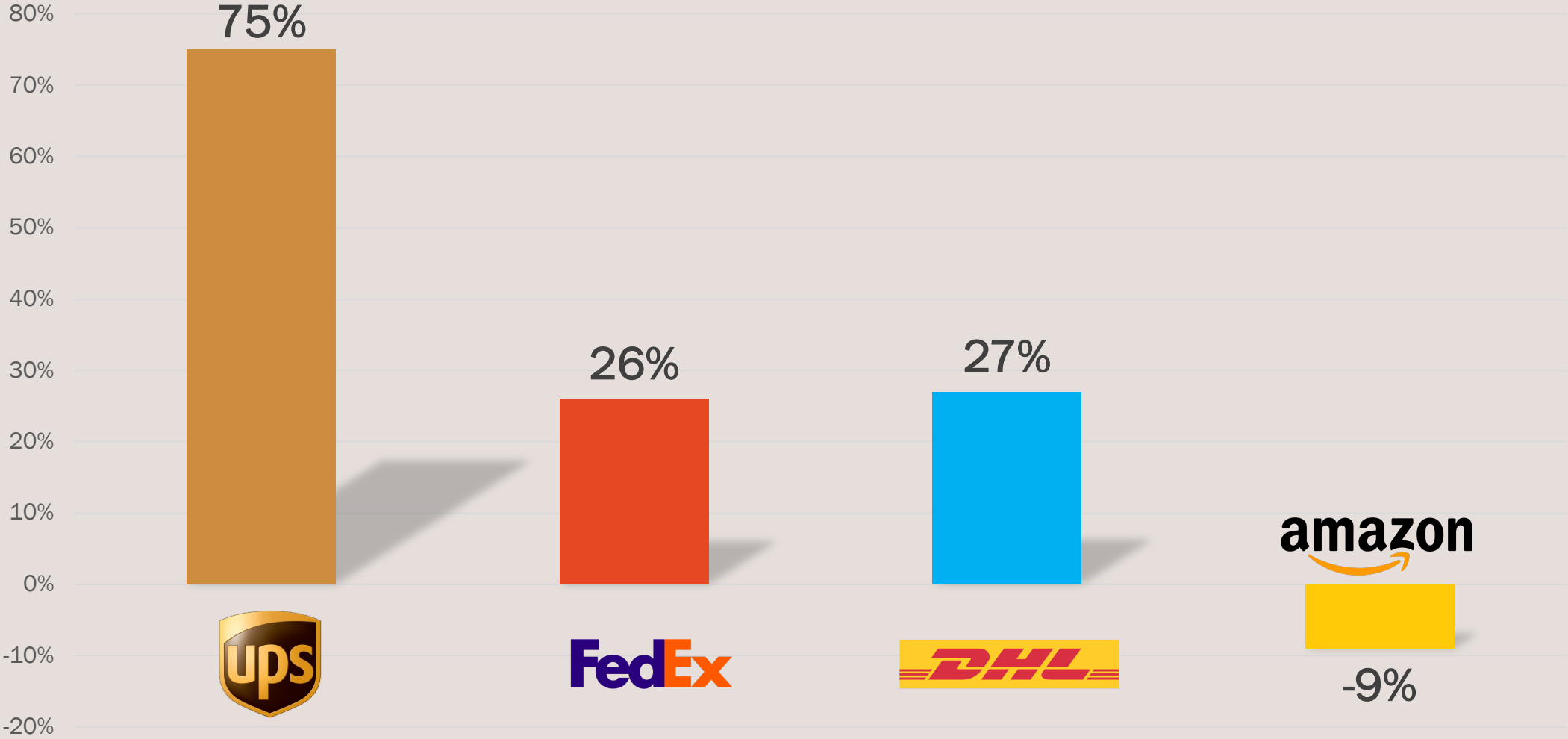


- Low profit margins and significant shareholder discontent
- Subcontractor rebellions
- Problems with “flexible labor” policies
- Structural inefficiencies between ground and air (Railway Labor Act)
- 12,000 workers cut since June



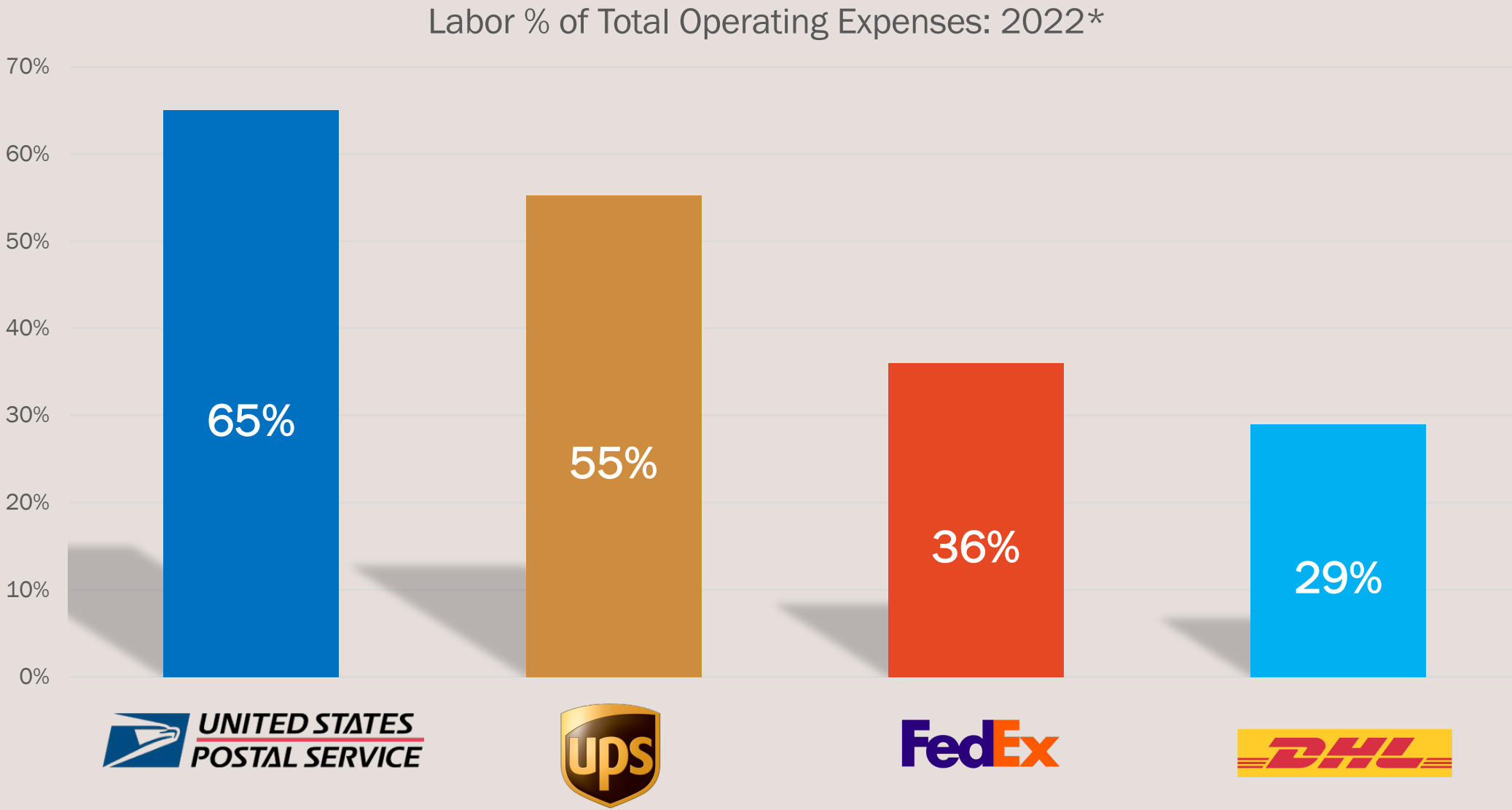
- Missing key components (aircraft, last-mile, two-way delivery) to compete with UPS
- Huge \$ investment to catch up
- Losing money in core business (-\$10.5 billion in 2022)
- Subleasing 10 million square feet of warehouse space
- 18,000 workers cut: biggest-ever round of jobs cuts at Amazon

# 3 Year Shareholder Return



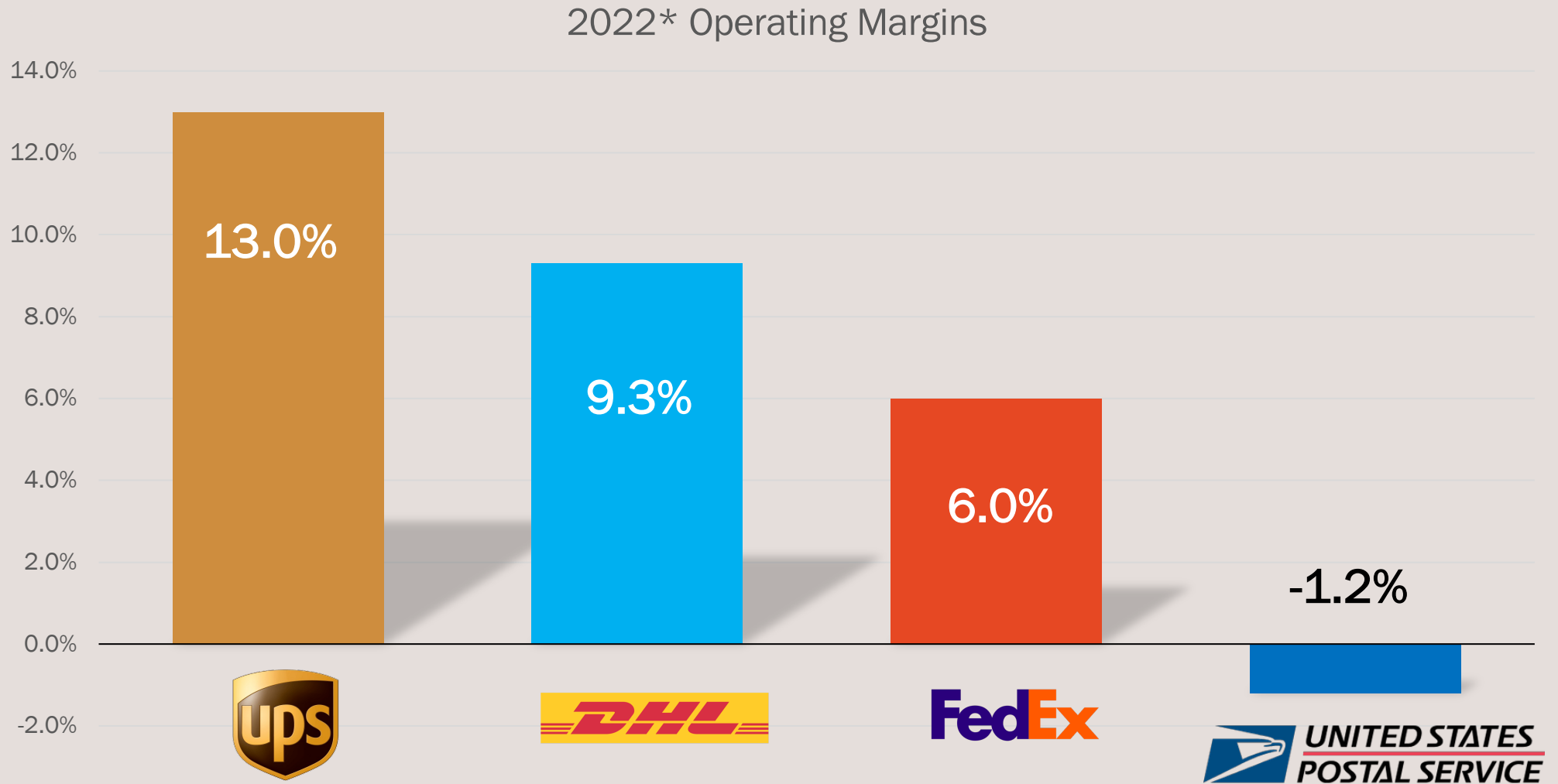
Source: Morningstar as of 2/23/2023

# Labor Costs are Higher at UPS, but...

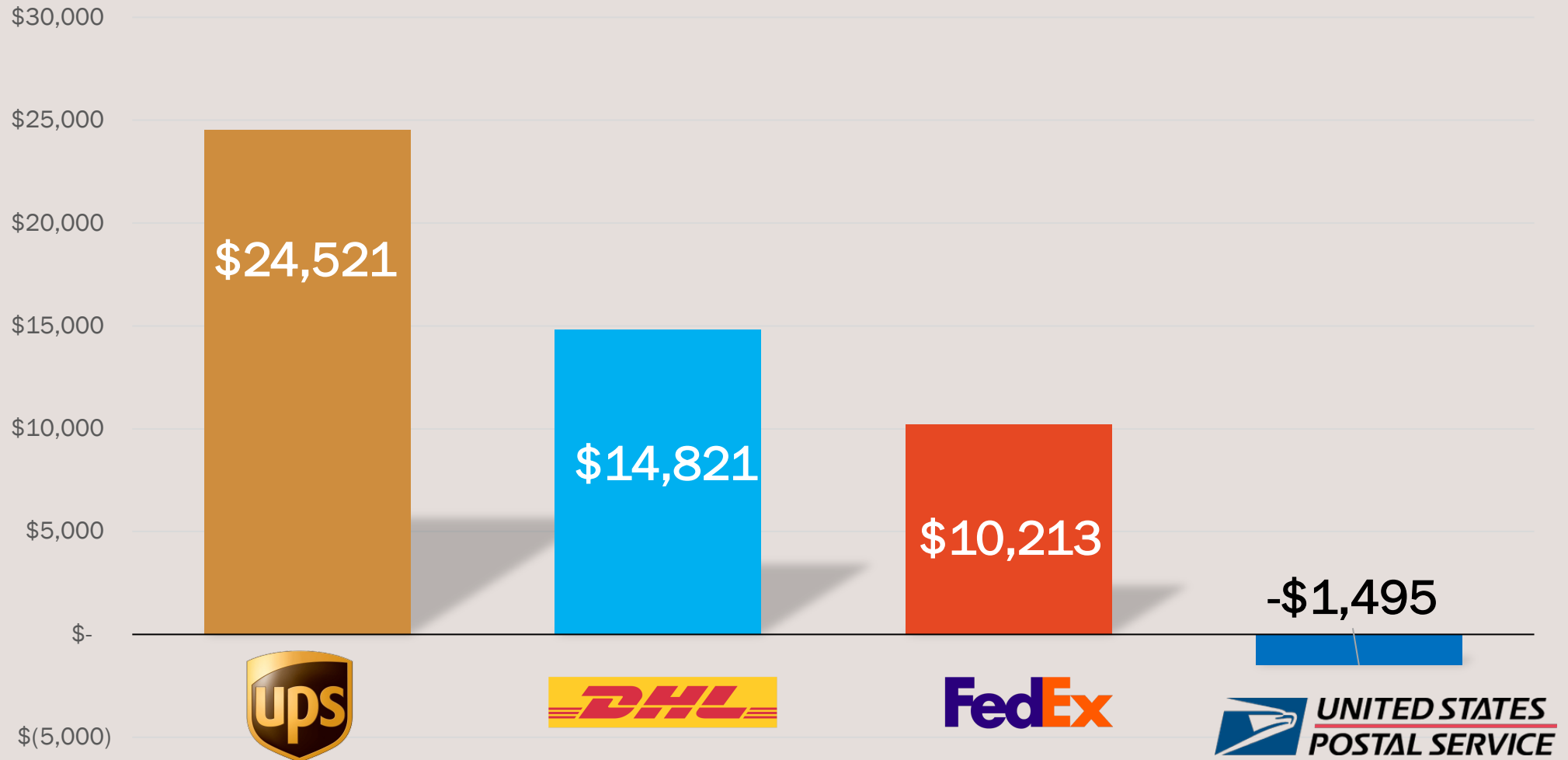


Source: Company financial statements. UPS ending 12/2022; FedEx last 4 qtrs. ending 11/2022; DHL last 4 qtrs. ending 9/2022; USPS fiscal year ending 9/30/22

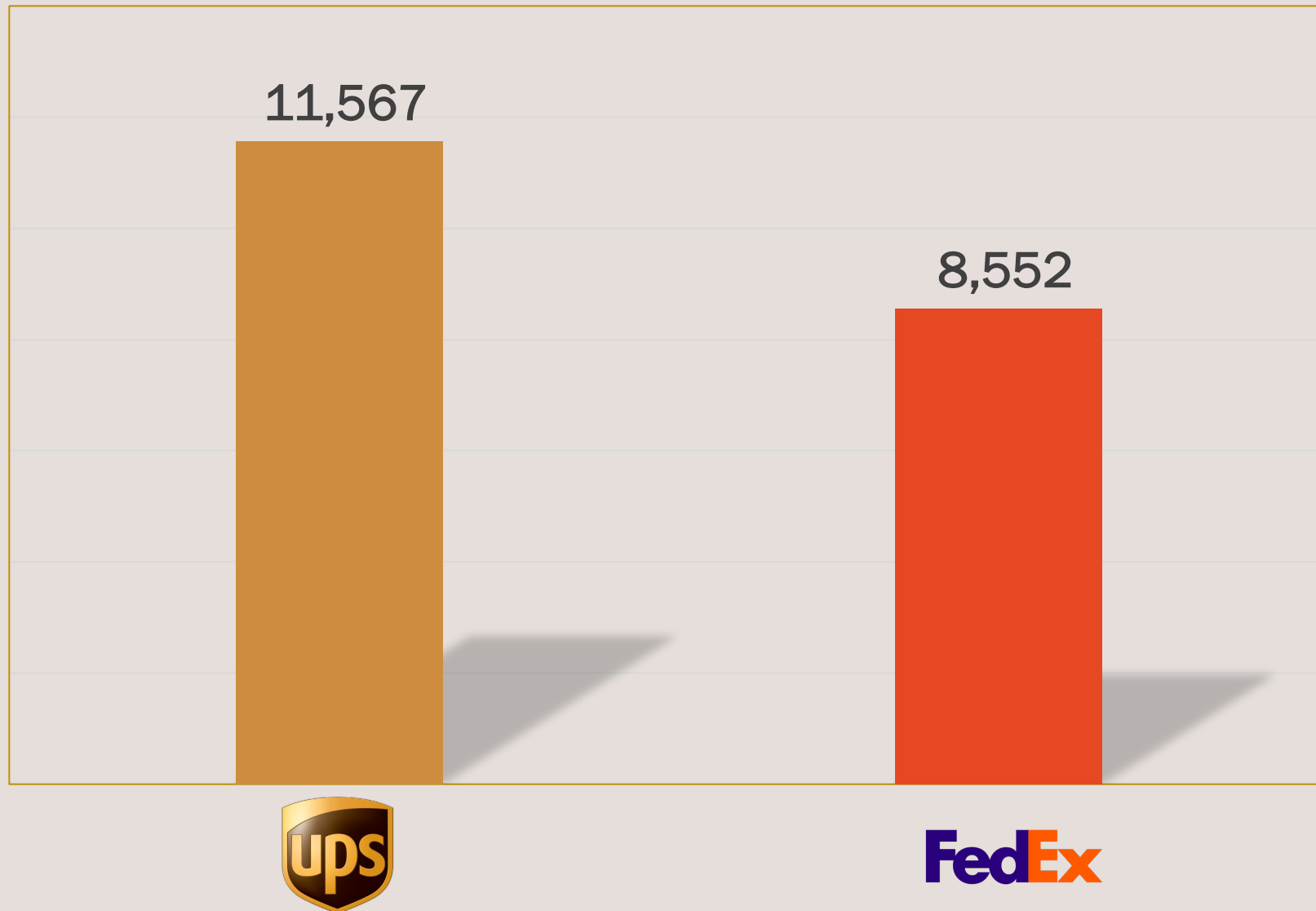
# ...UPS Has the Highest Operating Profit Margins



# And UPS has Highest Operating Profit per Employee



# Annual Packages Per Employee: 2022



# And Wall Street Agrees...

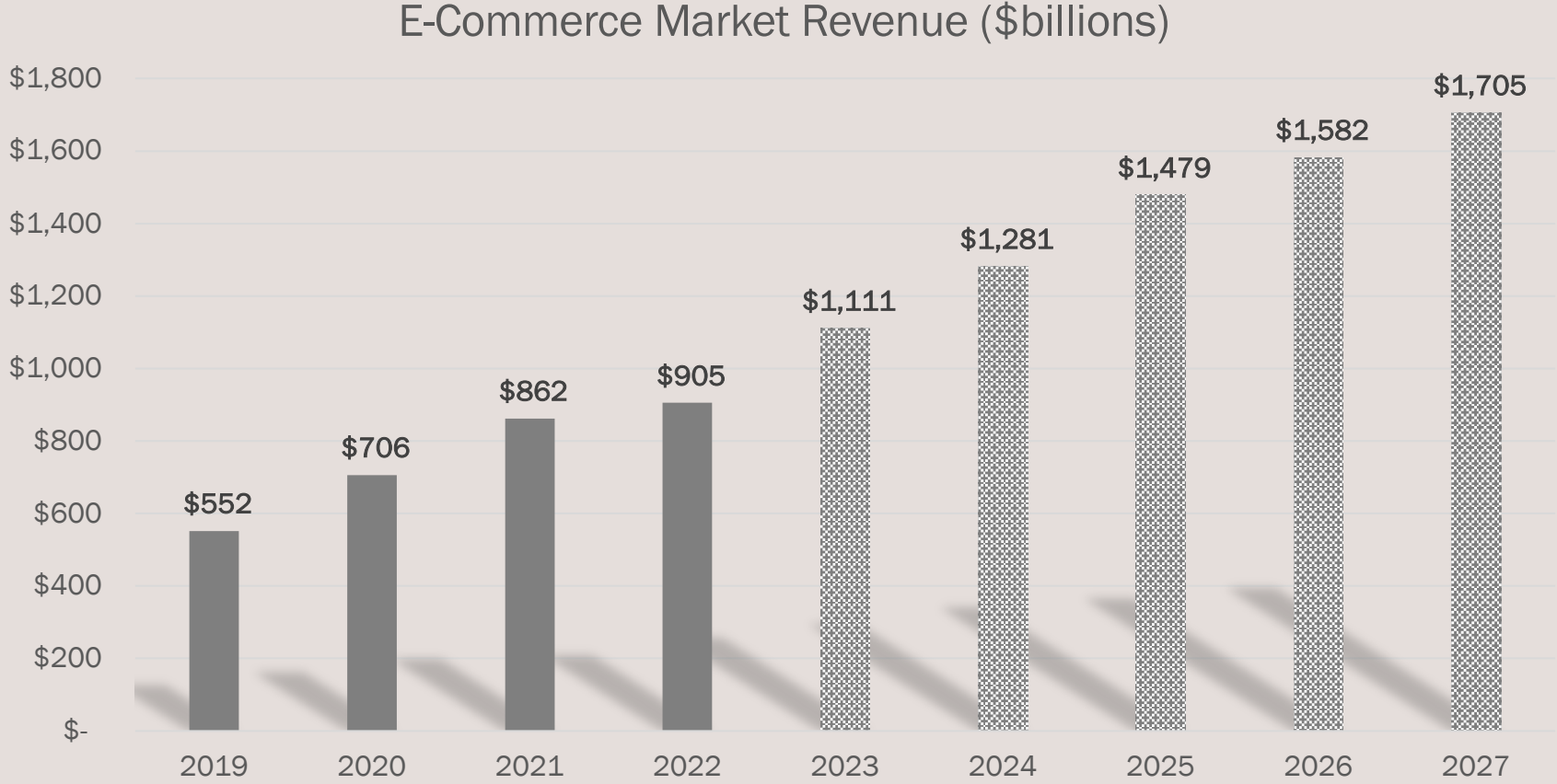


Equity Research  
28 June 2022

“We Find UPS Driver Efficiency and Facility Throughput to be Nearly 50-60% Higher Relative to Consolidated FedEx Operational Outcomes”



# UPS is in a Competitive Market, but the Pie is Growing

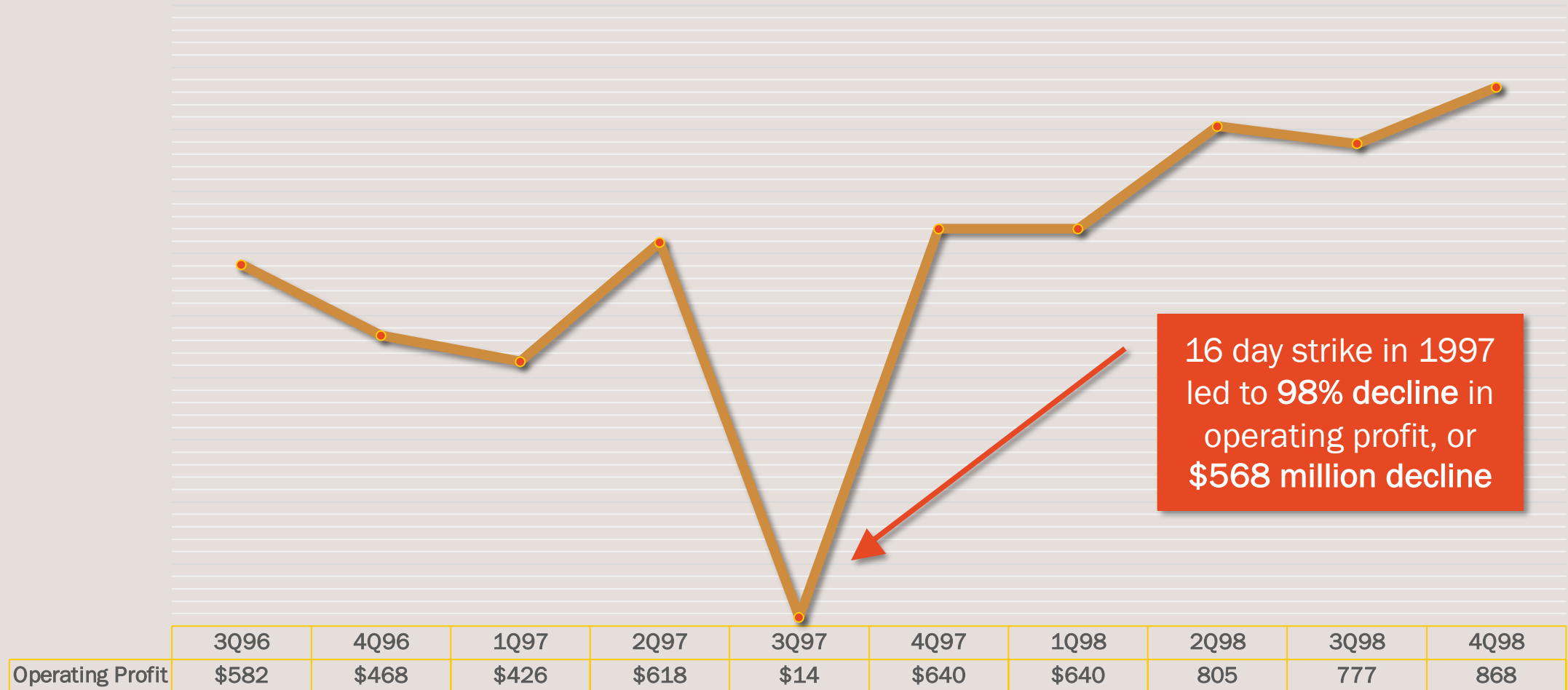


Growth of the courier and local delivery services industry is predicted to grow 4.25% a year in the US

# 4. UPS STRIKE ANALYSIS

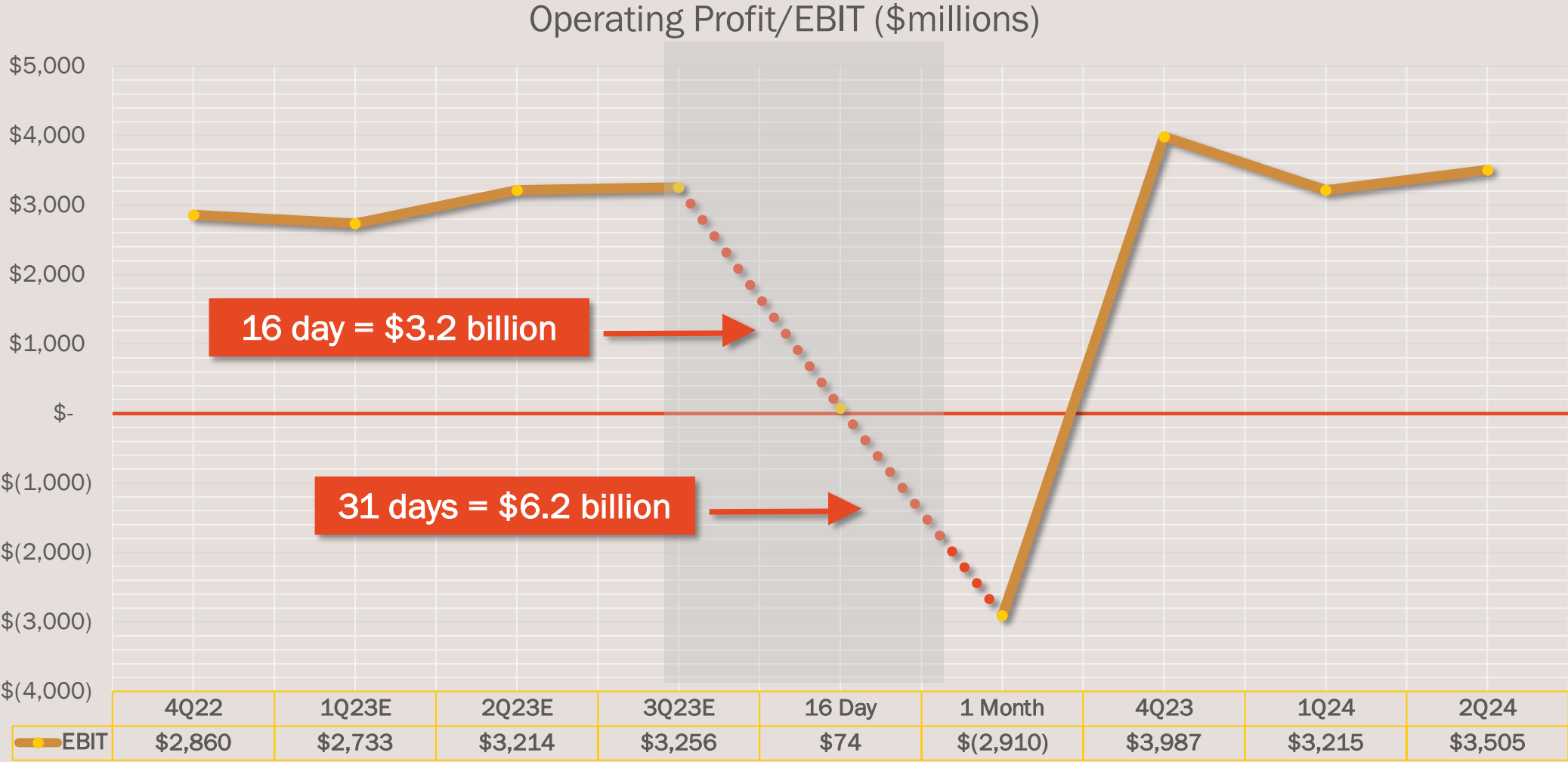
# 1997 Strike: Financial Impact on UPS

Operating Profit (\$millions)



16 day strike in 1997 led to 98% decline in operating profit, or \$568 million decline

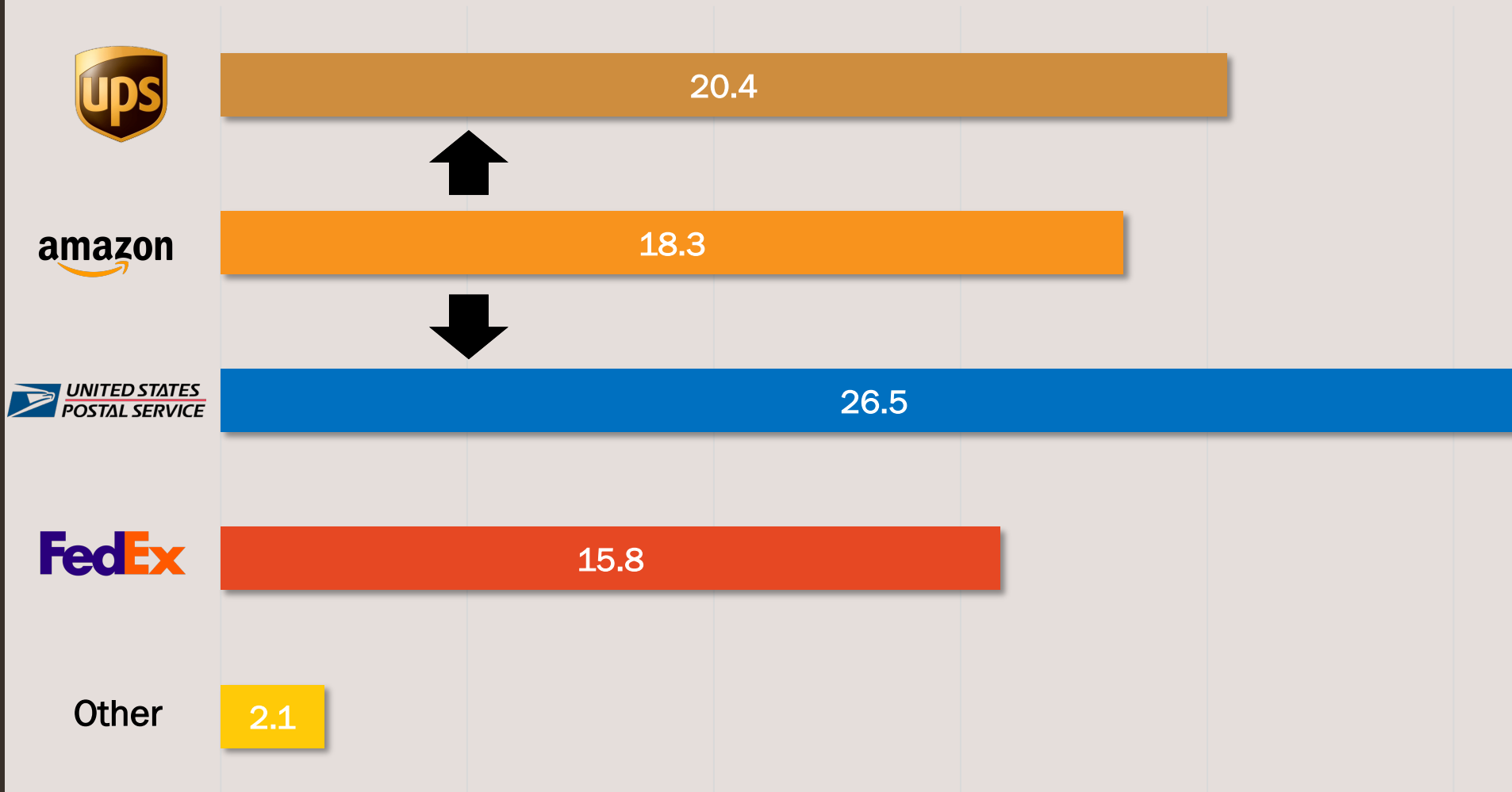
# 2023 UPS Strike Estimate



Source: EBIT estimates from Finbox

# Can Competitors Absorb UPS Volume During a Strike?

2021 Estimated Average U.S. Daily Volume (millions)



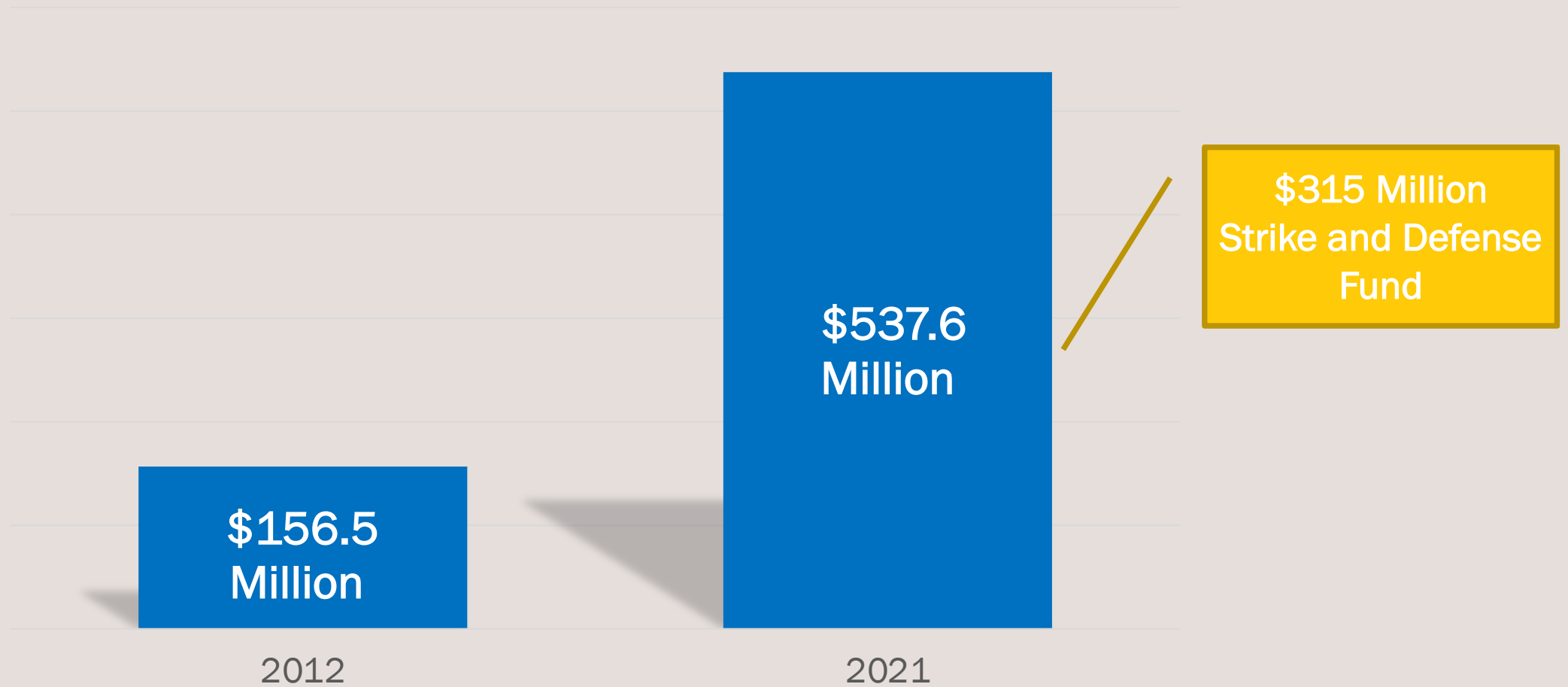
“An estimated 6% of the nation’s gross domestic product is moved in UPS trucks every year”  
CNN



# Who Will Run UPS?

- Over 125,000 delivery vehicles
- 616 aircraft
- 1,000 package operating facilities in the U.S.
- 85 million square feet of warehouse space

# International Union Net Assets 2012-2021



# Conclusion

- UPS has record profits and revenues, and long-term growth prospects are strong.
- UPS shareholders and management have disproportionately shared in the success of the company, while worker compensation trails all indicators.
- Growing competition for UPS, but the company is significantly more productive and efficient than key competitors.
- UPS is highly dependent on US revenues, and a strike could cost the company between \$3 billion (16 day) to \$6 billion (one month).
- In the event of a strike, competitors would need to absorb over 20 million packages a day.



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