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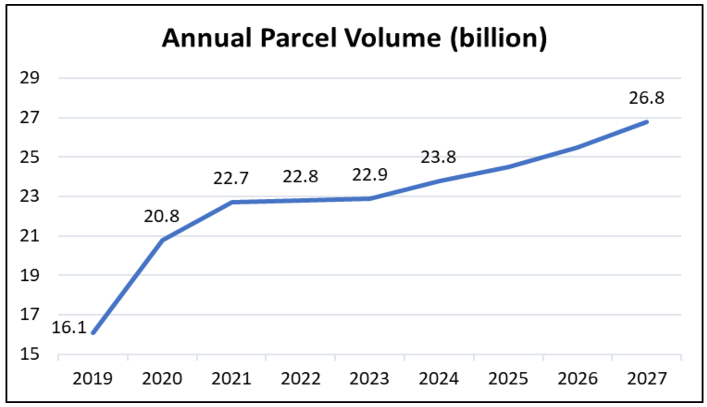
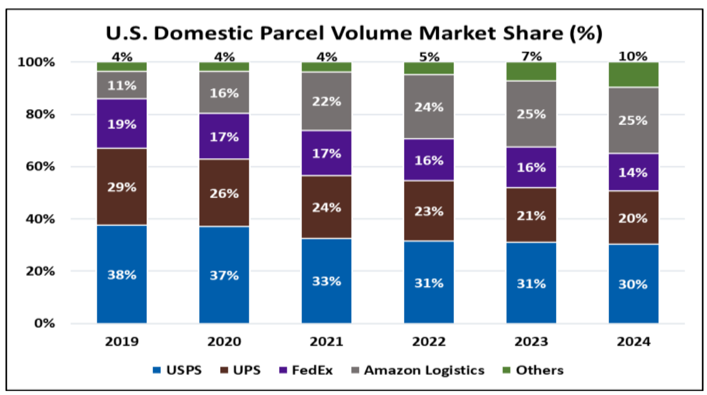
FedEx and UPS face declining Addressable Market

April 10, 2025: ShipMatrix, Inc. is pleased to share its first U.S. Domestic Parcel Market Report for 2024. It shows how the private fleets of major retailers are collectively delivering billions of parcels to consumers that have reduced the addressable market for FedEx and UPS. An unpredictable development ten years ago.



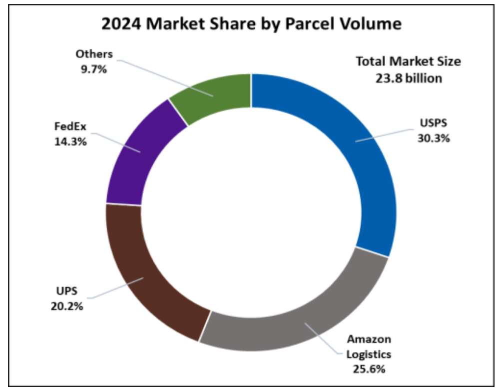
- In 2024 parcel volumes reached 23.8 billion, 4% increase from last year. The volumes have grown 1.5 times since pre-pandemic level of 16.1 billion in 2019.
- 779 parcels were delivered every second, or 67 million parcels for each day of the week.
- 70 parcels were delivered per person in 2024, or 1.8 parcels per week per adult and more importantly, 3.5 parcels per week per household thereby building delivery density for B2C parcels.



- With 4.1% revenue growth in 2024, the U.S. Parcel Market reached $188 billion with an average revenue of $8 per parcel.
- Amazon Logistics, Walmart, Target with their private networks and smaller carriers like OnTrac, Better Trucks, Jitsu, Veho, etc. with their impressive volume growth of 4.0 times since 2019 have significantly reduced the market share of FedEx, UPS and USPS.
- Amazon delivered 6.1 billion packages in 2024 as compared to 1.7 billion in 2019, while Walmart mainly and other carriers had an explosive growth delivering 2.3 billion in 2024 v. 0.6 billion in 2019.
- Though, the Postal Service delivered the highest number of average daily volume (ADV) at 20.4 million, it includes last mile delivery of 10.3 million parcels for carriers like Amazon, UPS, FedEx, DHL and parcel consolidator like Pitney Bowes, OSM, etc. Excluding those parcels, Amazon Logistics handled the largest average daily volume at 17.1 million based on 7 days per week, with UPS at 13.7 million and FedEx at 9.7 million, and the Postal Service at 10.1 million.
- The growth of volume by companies who are and were also the largest customers of FedEx, UPS and the Postal Service is the most dramatic development that possess a risk of further reducing the addressable market for FedEx, UPS and the U.S. Postal Service.

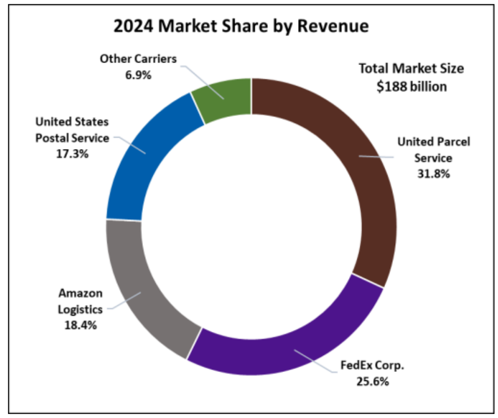
Parcel Volumes

The U.S. domestic parcel volumes reached all-time high of 23.8 billion in 2024. The Postal Service led the market by delivering 7.2 billion packages, followed by Amazon Logistics at 6.1 billion. UPS had almost no growth with 4.8 billion packages just like 2023, and FedEx had marginal decrease with 3.4 billion packages. The 'Other Carriers' comprising private fleets of Walmart, Target, and smaller carriers like OnTrac, Better Trucks, Jitsu, Veho, GLS, etc. delivered 2.3 billion packages, with 44 percent growth over 2023.



Parcel Revenues

In the post-covid era, after a sharp increase in U.S. parcel market revenues in 2021 and 2022, it went flat in 2023, but again showed 4.1% growth to reach $188 billion in 2024. UPS is on the top of the list with revenues of $59.8 billion, followed by FedEx at $48.2 billion. However, Amazon Logistics and USPS had $34.7 and $32.5 billion in revenues respectively. The 'Other Carriers' with $13 billion revenues in 2024 showed significant growth of 48% over 2023.



Forecast

ShipMatrix estimates U.S. Parcel Market Volume will grow at a CAGR of 4% over the next 3 years increasing from 23.8 billion to 26.8 billion in 2027. However, most of that growth will be handled by private networks of Amazon, Walmart and other retailers, resulting in a flat to negative growth for UPS, FedEx and USPS.

Important footnotes:

- *The volume figures for FedEx and UPS are based on company reports with adjustment for average daily volume (ADV) as reported for 5 days per week to 7 days per week since FedEx delivers 7 days per week and UPS delivers 6 days per week in recognition of faster growth in residential deliveries.*
- *With the Postal Service performing last mile delivery for competitors such as UPS, Amazon, FedEx, DHL, and that volume represents about 50 percent of total Postal Service volume, it results in more packages handled than delivered.*
- *Volume and revenues figures for Amazon, Wal-Mart and others are ShipMatrix estimates based on multiple data points captured from various sources including their SEC filings.*

About ShipMatrix, Inc.:

Since 2000, ShipMatrix with its sister company, SJ Consulting Group have been supporting hundreds of customers ship hundreds of millions of parcels to manage visibility, transportation spend and customer experience, and both have the most extensive parcel market data with a long track record of forecasting future events for the industry.

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