

Quarter 2 of Fiscal Year 2018 Financial Results

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Quarter 2 (3 Months) (Billions)	FY 2018	FY 2017
Total Revenue ¹	\$ 17.5	\$ 17.3
Controllable Expenses ^{1, 2}	<u>18.2</u>	<u>17.3</u>
Controllable Income (Loss) ^{1, 2}	(0.7)	-
RHB Unfunded Liability Amortization ³	(0.4)	(0.2)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	0.6	-
FERS Unfunded Liability Amortization ³	(0.4)	(0.1)
CSRS Unfunded Liability Amortization ³	<u>(0.4)</u>	<u>(0.3)</u>
Net Income (Loss) ¹	<u>\$ (1.3)</u>	<u>\$ (0.6)</u>

1 - Quarter 2 has one more delivery day and 0.25 more retail days as compared to SPLY.

2 - Before RHB amortization, FERS and CSRS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

3 - This represents the OPM amortization expense related to the Federal Employee Retirement System (FERS), Civil Service Retirement System (CSRS), and Postal Service Retiree Health Benefit Fund (PSRHBF) liabilities. These are based on OPM's latest updates.

4 - Includes effect of estimated \$0.2B annual increase in RHB normal cost due to estimated changes to discount rate.

March YTD (6 Months)
(Billions)

	FY 2018	FY 2017
Total Revenue ¹	\$ 36.7	\$ 36.5
Controllable Expenses ^{1, 2}	<u>37.0</u>	<u>36.0</u>
Controllable Income (Loss) ^{1, 2}	(0.3)	0.5
RHB Unfunded Liability Amortization ³	(0.7)	(0.4)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	0.6	1.5
FERS Unfunded Liability Amortization ³	(0.6)	(0.1)
CSRS Unfunded Liability Amortization ³	<u>(0.9)</u>	<u>(0.6)</u>
Net Income (Loss) ¹	<u>\$ (1.9)</u>	<u>\$ 0.9</u>

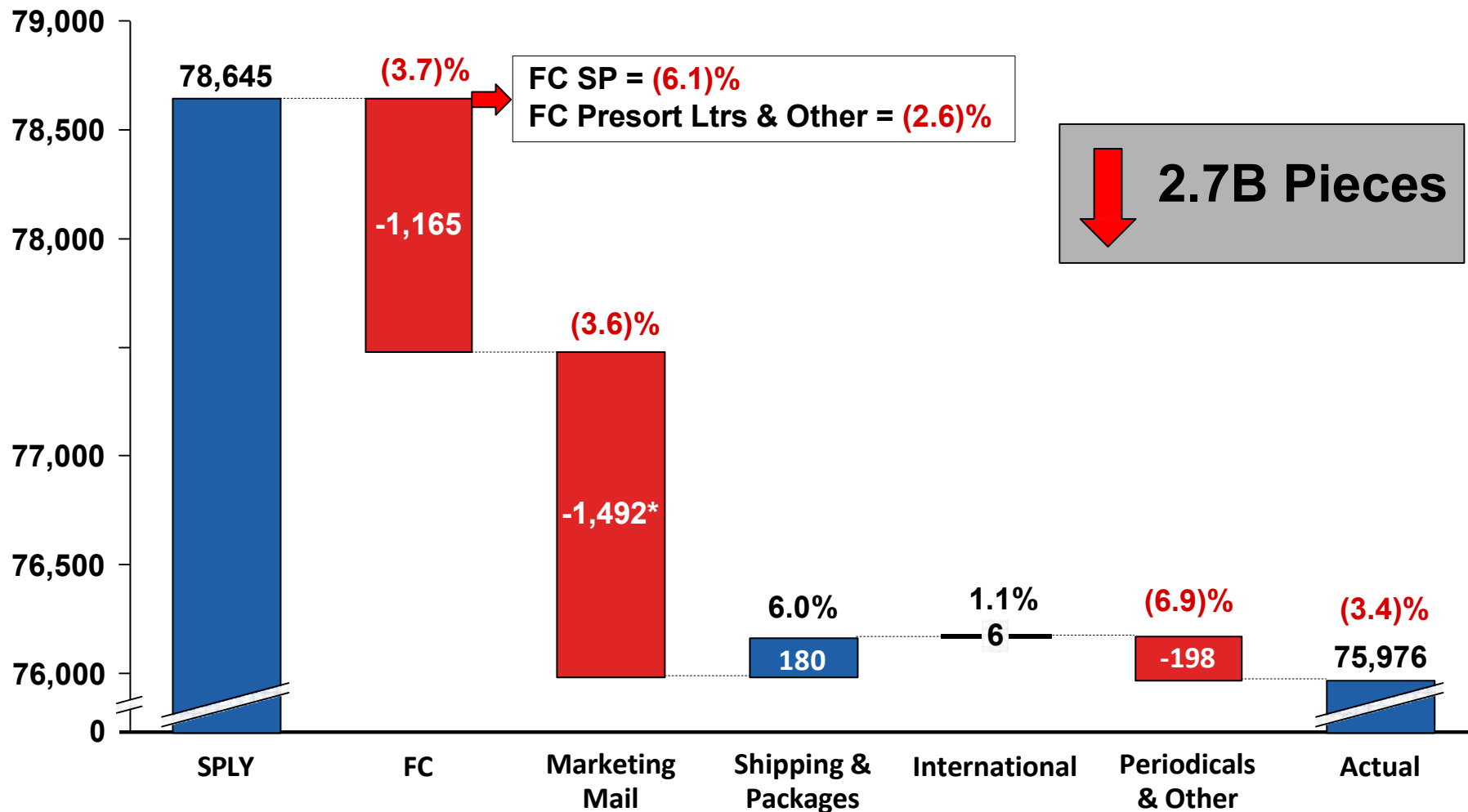
1 - March YTD has the same number of delivery days and 0.75 more retail days as compared to SPLY.

2 - Before RHB amortization, FERS and CSRS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

3 - This represents the OPM amortization expense related to the Federal Employee Retirement System (FERS), Civil Service Retirement System (CSRS), and Postal Service Retiree Health Benefit Fund (PSRHBF) liabilities. These are based on OPM's latest updates.

4 - Includes effect of estimated \$0.2B annual increase in RHB normal cost due to estimated changes to discount rate.

(Pieces – Millions)

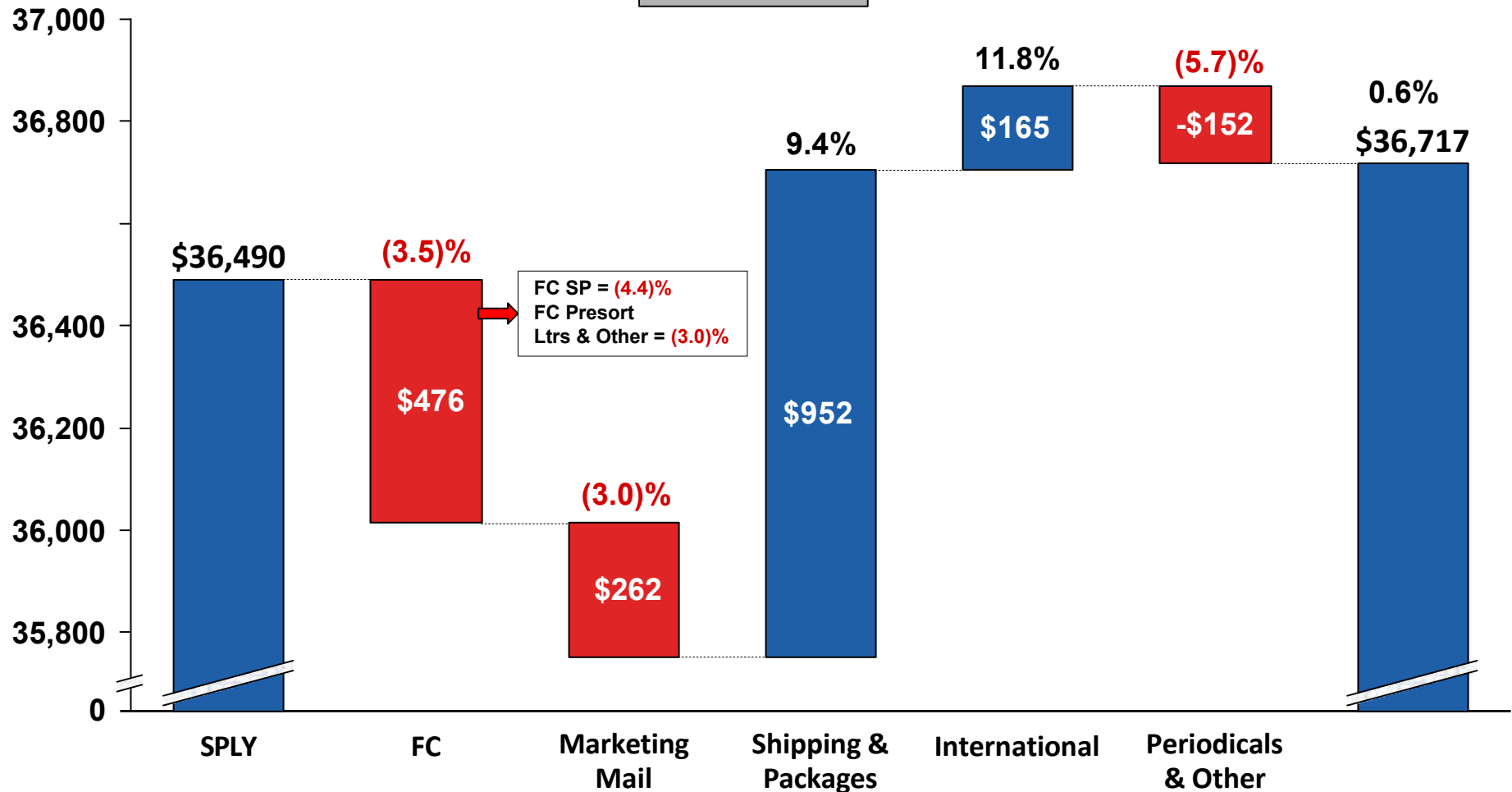


*NOTE: Total Reduction in Political and Election Mail through March is 976 Million pieces.

March YTD has the same number of delivery days and 0.75 more retail days as compared to SPLY.

(\$ – Millions)

↑ \$0.2B



March YTD has the same number of delivery days and 0.75 more retail days as compared to SPLY.

March YTD (6 Months)
(Billions)
FY
FY
2018
2017
Compensation & Benefits^{1,2}
\$27.8
\$27.2
Transportation
4.1
3.8
Depreciation
0.8
0.8
Supplies & Services
1.5
1.5
Rent, Utilities & Other
2.8
2.7
Controllable Expenses
\$ 37.0
\$ 36.0

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2 - Before RHB amortization, FERS and CSRS unfunded liability amortization, and non-cash adjustments to workers' compensation liabilities.

Questions ?

Please Press *1 On Your
Telephone Keypad

Complete Financial results are in the Form 10-Q:
[http://about.usps.com/who-we-are/financials/
welcome.htm](http://about.usps.com/who-we-are/financials/welcome.htm)

Additional questions can be emailed to:
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