

# Quarter 3 of Fiscal Year 2018 Financial Results

**Joe Corbett**  
**Chief Financial Officer & Executive Vice President**

August 9, 2018

Quarter 3 (3 Months) (Billions)	FY 2018	FY 2017
<b>Total Revenue</b> <sup>1</sup>	\$17.1	\$16.7
<b>Controllable Expenses</b> <sup>1,2</sup>	<u>18.0</u>	<u>17.3</u>
<b>Controllable Income (Loss)</b> <sup>1,2</sup>	<b>(0.9)</b>	<b>(0.6)</b>
<b>RHB Normal Cost Actuarial Revaluation &amp; Amortization</b> <sup>3,4</sup>	-	(0.7)
<b>Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.</b>	0.2	0.4
<b>FERS Unfunded Liability Amortization</b> <sup>3</sup>	(0.3)	(0.5)
<b>CSRS Unfunded Liability Amortization</b> <sup>3</sup>	<u>(0.5)</u>	<u>(0.7)</u>
<b>Net Income (Loss)</b> <sup>1</sup>	<b>\$ (1.5)</b>	<b>\$ (2.1)</b>

1 - Quarter 3 has the same number of delivery and retail days as compared to SPLY.

2 - Before RHB amortization and actuarial changes to RHB normal cost, 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.

June YTD (9 Months) (Billions)	FY 2018	FY 2017
<b>Total Revenue</b> <sup>1</sup>	\$ 53.8	\$ 53.1
<b>Controllable Expenses</b> <sup>1,2</sup>	<u>55.0</u>	<u>53.2</u>
<b>Controllable Income (Loss)</b> <sup>1,2</sup>	<b>(1.2)</b>	<b>(0.1)</b>
<b>RHB Normal Cost Actuarial Revaluation &amp; Amortization</b> <sup>3,4</sup>	(0.7)	(1.1)
<b>Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.</b>	0.9	1.9
<b>FERS Unfunded Liability Amortization</b> <sup>3</sup>	(1.0)	(0.7)
<b>CSRS Unfunded Liability Amortization</b> <sup>3</sup>	<u>(1.4)</u>	<u>(1.3)</u>
<b>Net Income (Loss)</b> <sup>1</sup>	<b>\$ (3.4)</b>	<b>\$ (1.3)</b>

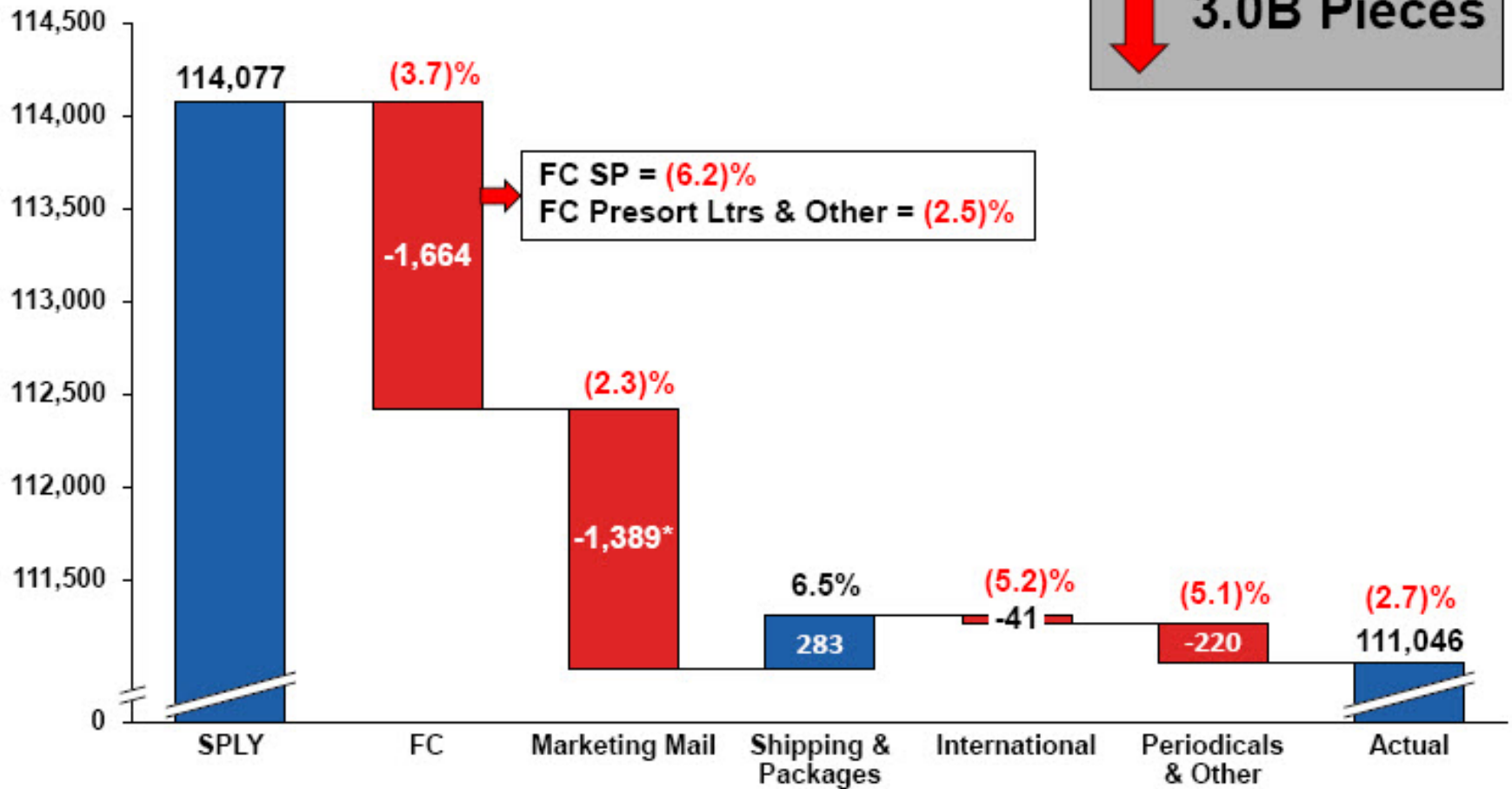
1 - June YTD has the same number of delivery days and 0.75 more retail days as compared to SPLY.

2 - Before RHB amortization and actuarial changes to RHB normal cost, 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 (PSRHF) 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.

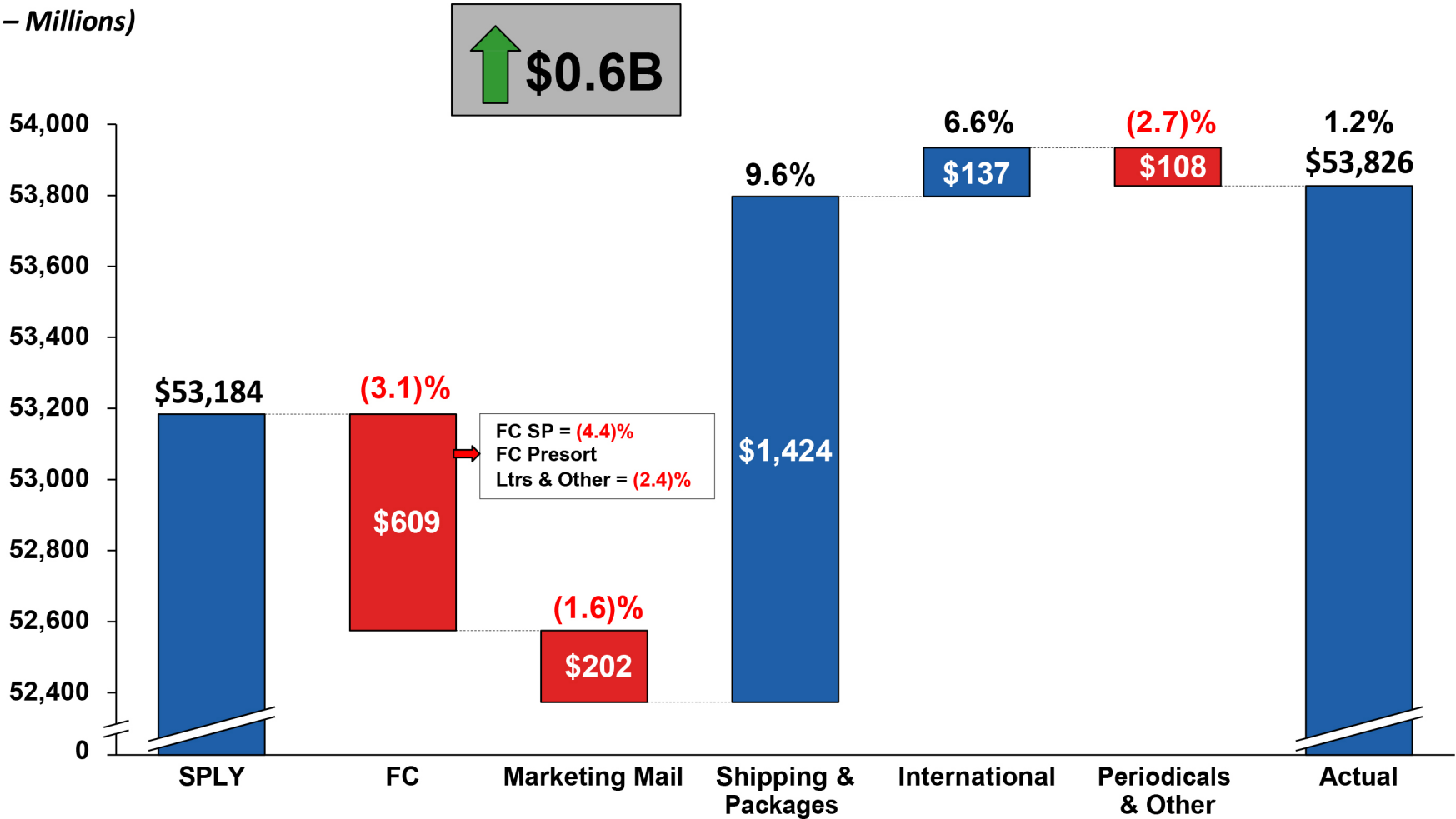
(Pieces – Millions)



\*NOTE: Total Reduction in Political and Election Mail through Q1 compared to SPLY is 1.06 Billion pieces.

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

(\$ – Millions)



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

<b>June YTD (9 Months)</b> <b>(Billions)</b>	<b>FY</b> <b>2018</b>	<b>FY</b> <b>2017</b>
<b>Compensation &amp; Benefits<sup>1,2</sup></b>	<b>\$38.9</b>	<b>\$38.1</b>
<b>RHB Normal Cost</b>	<b>2.6</b>	<b>2.1</b>
<b>Transportation</b>	<b>5.9</b>	<b>5.5</b>
<b>Depreciation</b>	<b>1.2</b>	<b>1.3</b>
<b>Supplies &amp; Services</b>	<b>2.2</b>	<b>2.2</b>
<b>Rent, Utilities &amp; Other</b>	<b>4.2</b>	<b>4.0</b>
<b>Controllable Expenses</b>	<b>\$55.0</b>	<b>\$53.2</b>

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2 - Before RHB amortization and actuarial changes to RHB normal cost, 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>**

**Additional questions can be emailed to:**  
**[David.A.Partenheimer@usps.gov](mailto:David.A.Partenheimer@usps.gov)**