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U.S. Postal Service Reports Third Quarter Fiscal Year 2024 Results

- *Operating revenue increase of \$191 million to \$18.8 billion, extending the growth trend to four consecutive quarters*
- *Transportation expense reductions of \$236 million reflect continued progress under the [Delivering for America](#) plan*
- *Shipping and Package growth continues to benefit from USPS Ground Advantage*

WASHINGTON - The U.S. Postal Service today announced its financial results for the third quarter of fiscal year 2024 (Apr. 1, 2024 - Jun. 30, 2024). The net loss for the quarter under generally accepted accounting principles (GAAP) totaled \$2.5 billion, compared to a net loss of \$1.7 billion for the same quarter last year.

GAAP results for the quarter were negatively impacted by \$1.4 billion of expenses attributed to the amortization of unfunded retiree pension liabilities, and by a workers' compensation non-cash expense of \$67 million driven by actuarial revaluation and discount rate changes; these factors are not controllable by the Postal Service. Controllable loss, which excludes these factors, was \$1.1 billion for the quarter, compared to \$860 million for the same quarter last year, as expenses related to network modernization and deferred maintenance and continued inflation increased controllable operating expenses.

Total operating revenue was \$18.8 billion for the quarter, an increase of \$191 million, or 1.0 percent, compared to the same quarter last year.

Revenue from Shipping and Packages, First-Class Mail and Marketing Mail all increased in the third quarter. Shipping and Packages revenue increased \$182 million, or 2.4 percent, on a volume increase of 46 million pieces, or 2.7 percent, compared to the same quarter last year. *USPS Ground Advantage*, the Postal Service's shipping offering which provides a simple, reliable, and more affordable way to ship packages, has continued to experience wide adoption and growth in the marketplace.

First-Class Mail revenue increased \$125 million, or 2.1 percent, on a volume decline of 370 million pieces, or 3.4 percent, compared to the same quarter last year. Marketing Mail revenue increased \$107 million, or 3.1 percent, on a volume decline of 43 million pieces, or 0.3 percent, compared to the same quarter last year.

"We are making solid progress in generating a sustained revenue growth trajectory in our mailing and shipping businesses, which is validation of the product and pricing strategies and network capabilities enabled by our *Delivering for America* plan," said Postmaster General Louis DeJoy. "We continue transforming and modernizing our processing, transportation and delivery networks, which will enable the Postal Service to operate more efficiently and effectively and at lower cost. Despite inflationary headwinds impacting our costs, we remain committed to finding a path to return the Postal Service to long-term financial sustainability."

Total GAAP operating expenses were \$21.4 billion for the quarter, an increase of \$901 million, or 4.4 percent, compared to the same quarter last year. The overall increase in operating expenses was primarily due to inflationary impacts on compensation costs, retirement costs and other operating costs, partially offset by lower transportation costs.

"We reduced work hours by approximately one million hours reflecting a continuing three-year trend of work hour reductions during the implementation of the *Delivering for America* plan. This reduction, in conjunction with lower transportation expenses for the quarter, reflects continued progress under the plan," said Chief Financial Officer Joseph Corbett.

Third Quarter Fiscal Year 2024 Operating Revenue and Volume by Service Category Compared to Prior Year

The following table presents revenue and volume by service category for the three months ended June 30, 2024 and 2023:

	Revenue		Volume	
	2024	2023	2024	2023
<i>(revenue in \$ millions; volume in millions of pieces)</i>				
Service Category				
First-Class Mail	\$ 5,940	\$ 5,815	10,486	10,856
Marketing Mail	3,548	3,441	13,499	13,542
Shipping and Packages	7,699	7,517	1,742	1,696
International	320	363	61	70
Periodicals	228	232	707	767
Other	1,029	1,205	71	72
Total operating revenue and volume	\$ 18,764	\$ 18,573	26,566	27,003

Selected Third Quarter Fiscal Year 2024 Results of Operations and Non-GAAP Measures

This news release includes *controllable loss* which is not calculated and presented in accordance with GAAP. This non-GAAP measure is calculated as net loss adjusted for costs outside of management's control, including workers' compensation expenses caused by actuarial revaluation and discount rate changes and the amortization of the Civil Service Retirement System (CSRS) and Federal Employee Retirement System (FERS) unfunded liabilities. These latter costs not only are largely outside of management's control but also can fluctuate significantly based on actuarial assumptions and interest rates.

This non-GAAP measure provides meaningful information to assist users of the Postal Service's financial statements to more fully understand the financial results and assess the Postal Service's ongoing performance because it excludes items that may not be indicative of, or are unrelated to, underlying operations.

Non-GAAP financial measures should be considered in addition to, and not as an alternative for, the Postal Service's reported results prepared in accordance with GAAP. This adjusted financial information does not represent a comprehensive basis of accounting.

The following table reconciles GAAP net loss to our non-GAAP financial measure for the three months ended June 30, 2024 and 2023:

	2024	2023
<i>(results in \$ millions)</i>		
Net loss	\$ (2,542)	\$ (1,736)
Workers' compensation non-cash expense (benefit) ¹	67	(374)
CSRS unfunded liability amortization expense ²	800	775
FERS unfunded liability amortization expense ³	575	475
Controllable loss	\$ (1,100)	\$ (860)

¹ Represents workers' compensation non-cash expense (benefit) resulting from fluctuations in discount rates, changes in assumptions, valuation of new claims, revaluation of existing claims, and the administrative fee paid to the U.S. Department of Labor, less current year claim payments.

² Expense for the accrual for the annual payments due to the Office of Personnel Management (OPM) by September 30 of the respective fiscal year, to amortize the unfunded CSRS retirement obligation. Payments are to be made through 2043 based on OPM invoices.

³ Expense for the accrual for the annual payment due to OPM by September 30 of the respective fiscal year, to amortize the unfunded FERS retirement obligation. Payments are to be made over a 30-year rolling period based on OPM invoices.

Financial results in the Form 10-Q are available at <http://about.usps.com/what/financials/>.

Forward-Looking Statements

Forward-looking statements contained in this release represent the Postal Service's best estimates of known and anticipated trends believed relevant to future operations. However, actual results may differ significantly from current estimates. Certain forward-looking statements included in this release use such words as "may," "will," "could," "expect," "believe," "plan," "estimate," "project," or other similar terminology. These forward-looking statements, which involve a number of risks and uncertainties, reflect current expectations regarding future events and operating

performance as of the date of this report. The Postal Service has no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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The United States Postal Service is an independent federal establishment, mandated to be self-financing and to serve every American community through the affordable, reliable and secure delivery of mail and packages to nearly 167 million addresses six and often seven days a week. Overseen by a bipartisan Board of Governors, the Postal Service is implementing a 10-year transformation plan, [Delivering for America](#), to modernize the postal network, restore long-term financial sustainability, dramatically improve service across all mail and shipping categories, and maintain the organization as one of America's most valued and trusted brands.

The Postal Service generally receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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