UNITED STATES POSTAL SERVICE®

POSTAL NEWS

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U.S. Postal Service Reports Fiscal Year 2025 Results

- *Operating revenue was $80.5 billion, a 1.2 percent increase, due largely to growth in USPS Ground Advantage and strategic price increases*
- *Net loss decreased $542 million compared to prior year while controllable loss increased by $900 million, reflecting lower than expected revenues from our package business*
- *Transportation expense reductions of $422 million reflect continued progress of network optimization*

WASHINGTON - The U.S. Postal Service today announced its financial results for the 2025 fiscal year ended September 30. Controllable loss, which excludes certain expenses that are not controllable by management, was $2.7 billion for the year, compared to $1.8 billion for the prior year.

Net loss for the year under generally accepted accounting principles (GAAP) totaled $9.0 billion, compared to a net loss of $9.5 billion for the prior year. This decrease in net loss is attributed to our operating revenue increase of $916 million, transportation expense reductions of $422 million, and a decrease in workers' compensation expense of $1.1 billion, partially offset by increased compensation and benefits expense of $1.7 billion, and higher other operating expenses of $221 million.

"In surveying the results of the past year, the occasional appearance of financial progress – such as our profitable first quarter – is far outweighed by the reality of our significant systemic annual revenue and cost imbalance," said Postmaster General David Steiner. "To correct our financial imbalances, we must explore new revenue opportunities and public policy changes to improve our business model. Most importantly, we must operate more efficiently and compete more effectively to best perform our public service mission."

The Postal Service is seeking further administrative and legislative reforms to remedy outdated and unwarranted financial and regulatory burdens. These reforms include: changes in retiree pension benefit funding rules for the Civil Service Retirement System (CSRS) benefits, diversification of pension assets, raising the statutory debt ceiling, and workers' compensation administration reform.

Total operating revenue was $80.5 billion for the year, an increase of $916 million, or 1.2 percent, compared to the prior year. The increase was due largely to continued growth of our *USPS Ground Advantage* shipping service as well as strategic price increases in both of our mail and shipping categories.

First-Class Mail revenue increased $370 million, or 1.5 percent, on a volume decline of 2.2 billion pieces, or 5.0 percent, compared to the prior year. Marketing Mail revenue increased $350 million, or 2.3 percent, on a volume decline of 764 million pieces, or 1.3 percent, compared to the prior year. Shipping and Packages revenue increased $315 million, or 1.0 percent, on a volume decline of 415 million pieces, or 5.7 percent, compared to the prior year.

Total operating expenses were nearly $89.8 billion for the year, an increase of $317 million, or 0.4 percent, compared to the prior year. The overall increase in operating expenses was primarily due to increases in compensation costs and other operating costs, including the incentivized voluntary early retirement offer to certain employees, partially offset by the impact of discount rates on workers' compensation costs and lower transportation costs.

"The financial results reflect the difficulties of our mandated cost structure and the continued decline in volume, offset to some degree by the Postal Service's efforts to push back against those trends by aggressively managing the costs we can control and by the judicious use of our pricing authority," said Chief Financial Officer Luke Grossmann. "We remain focused on moving toward financial sustainability through growing our *USPS Ground Advantage* package business, creating additional operational efficiencies, and developing product strategies to generate growth."

Fiscal Year 2025 Operating Revenue and Volume by Service Category Compared to Prior Year
The following table presents revenue and volume by service category for the years ended September 30, 2025 and 2024:

	Revenue		Volume	
(revenue in $ millions; volume in millions of pieces)	**2025**	**2024**	**2025**	**2024**
Service Category				
First-Class Mail	$ 25,769	$ 25,399	42,049	44,277
Marketing Mail	15,734	15,384	56,756	57,520
Shipping and Packages	32,580	32,265	6,837	7,252
International	1,265	1,446	250	289
Periodicals	882	909	2,443	2,746
Other	4,223	4,134	360	372
Total operating revenue and volume	**$ 80,453**	**$ 79,537**	**108,695**	**112,456**

Selected Fiscal Year 2025 Revenue Results of Operations and Non-GAAP Measures
This news release includes c*ontrollable 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 expense caused by actuarial revaluation and discount rate changes and the amortization of the 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 years ended September 30, 2025 and 2024:

(results in $ millions)	**2025**	**2024**
Net loss	**$ (8,978)**	**$ (9,520)**
Workers' compensation non-cash expense[1]	972	2,164
CSRS unfunded liability amortization expense[2]	3,122	3,245
FERS unfunded liability amortization expense[3]	2,159	2,286
Controllable loss	**$ (2,725)**	**$ (1,825)**

[1] Represents workers' compensation non-cash expense 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 annual payments due September 30 of the respective year, calculated by the Office of Personnel Management (OPM), to amortize the unfunded CSRS retirement obligation. Payments are to be made through 2043 based on OPM invoices.

[3] Expense for the annual payments due September 30 of the respective year, calculated by OPM, 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 10K 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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