

Financial Results

Q2 of Fiscal Year 2019

Joseph Corbett

Chief Financial Officer and Executive Vice President

Quarter 2 (3 Months) (Billions)	FY 2019	FY 2018
Total Revenue ¹	\$ 17.5	\$ 17.5
Controllable Expenses ^{1,2}	<u>18.3</u>	<u>18.2</u>
Controllable Income (Loss) ^{1, 2}	(0.8)	(0.7)
RHB Unfunded Liability Amortization ³	(0.3)	(0.4)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	(0.4)	0.6
FERS Unfunded Liability Amortization ³	(0.2)	(0.4)
CSRS Unfunded Liability Amortization ³	<u>(0.4)</u>	<u>(0.4)</u>
Net Income (Loss) ¹	<u>\$ (2.1)</u>	<u>\$ (1.3)</u>

1 - Quarter 2 has one less delivery and retail day as compared to SPLY.

2 - Before Retiree Health Benefits (RHB), Federal Employee Retirement System (FERS), and Civil Service Retirement System (CSRS) unfunded liability amortizations, and non-cash adjustments to workers' compensation liabilities.

3 - This represents the OPM amortization expense related to the FERS, CSRS, and Postal Service RHB Fund liabilities. These are based on OPM's latest updates.

FY2019 March YTD Financial Results

March YTD (6 Months) (Billions)	FY 2019	FY 2018
Total Revenue ¹	\$ 37.3	\$ 36.7
Controllable Expenses ^{1,2}	<u>38.2</u>	<u>37.0</u>
Controllable Income (Loss) ^{1, 2}	(0.9)	(0.3)
RHB Unfunded Liability Amortization ³	(0.6)	(0.7)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	(0.9)	0.6
FERS Unfunded Liability Amortization ³	(0.5)	(0.6)
CSRS Unfunded Liability Amortization ³	<u>(0.7)</u>	<u>(0.9)</u>
Net Income (Loss) ¹	<u>\$ (3.6)</u>	<u>\$ (1.9)</u>

1 - March YTD has one less delivery day and 1.75 less retail days as compared to SPly.

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Net Income (Loss) ¹	<u>\$ (2.7)</u>	<u>\$ (2.5)</u>
Excluding WC Fair Value Adj.		

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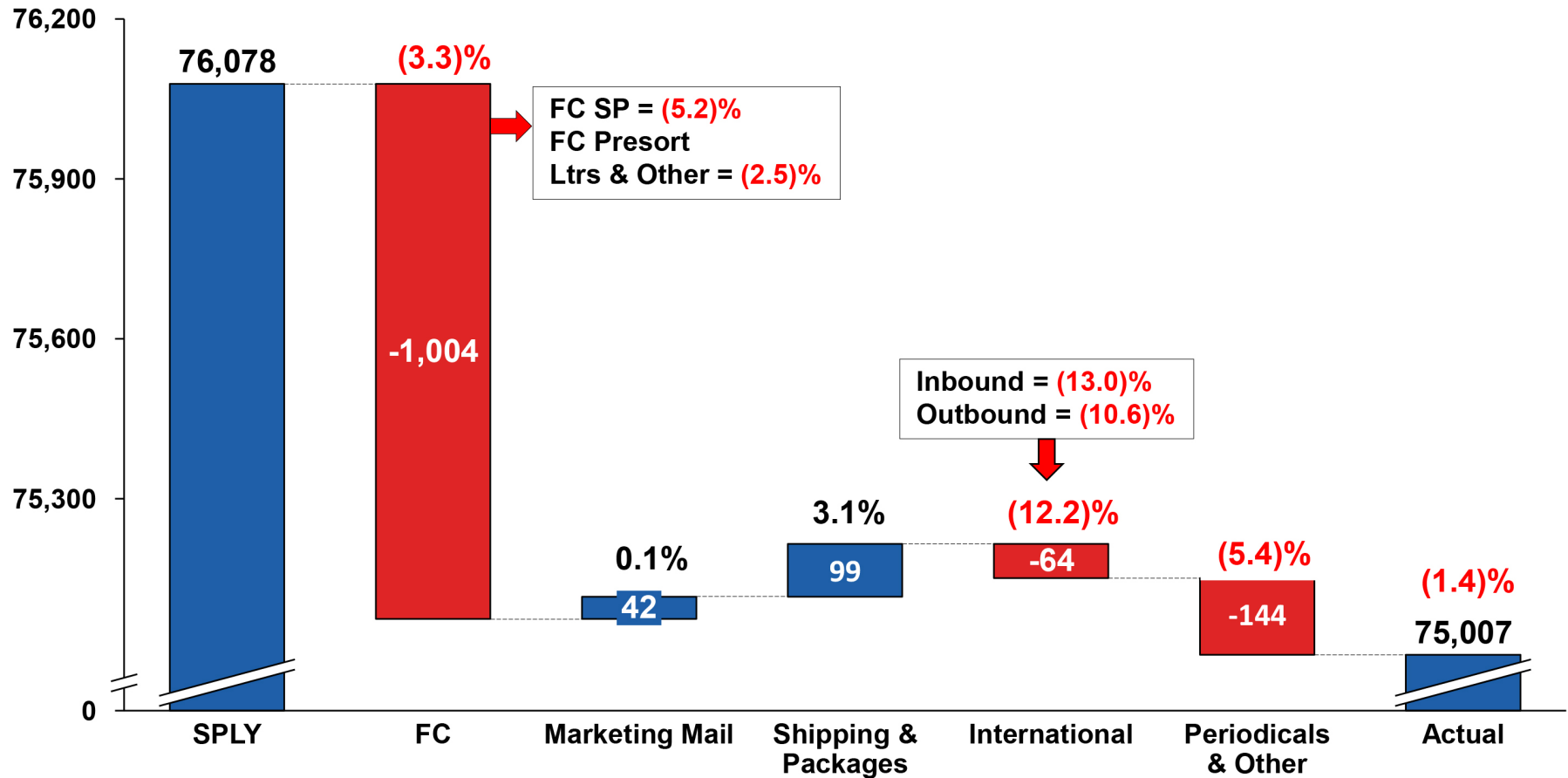
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Actual versus SPLY FY2019 March YTD Volume

(Pieces – Millions)

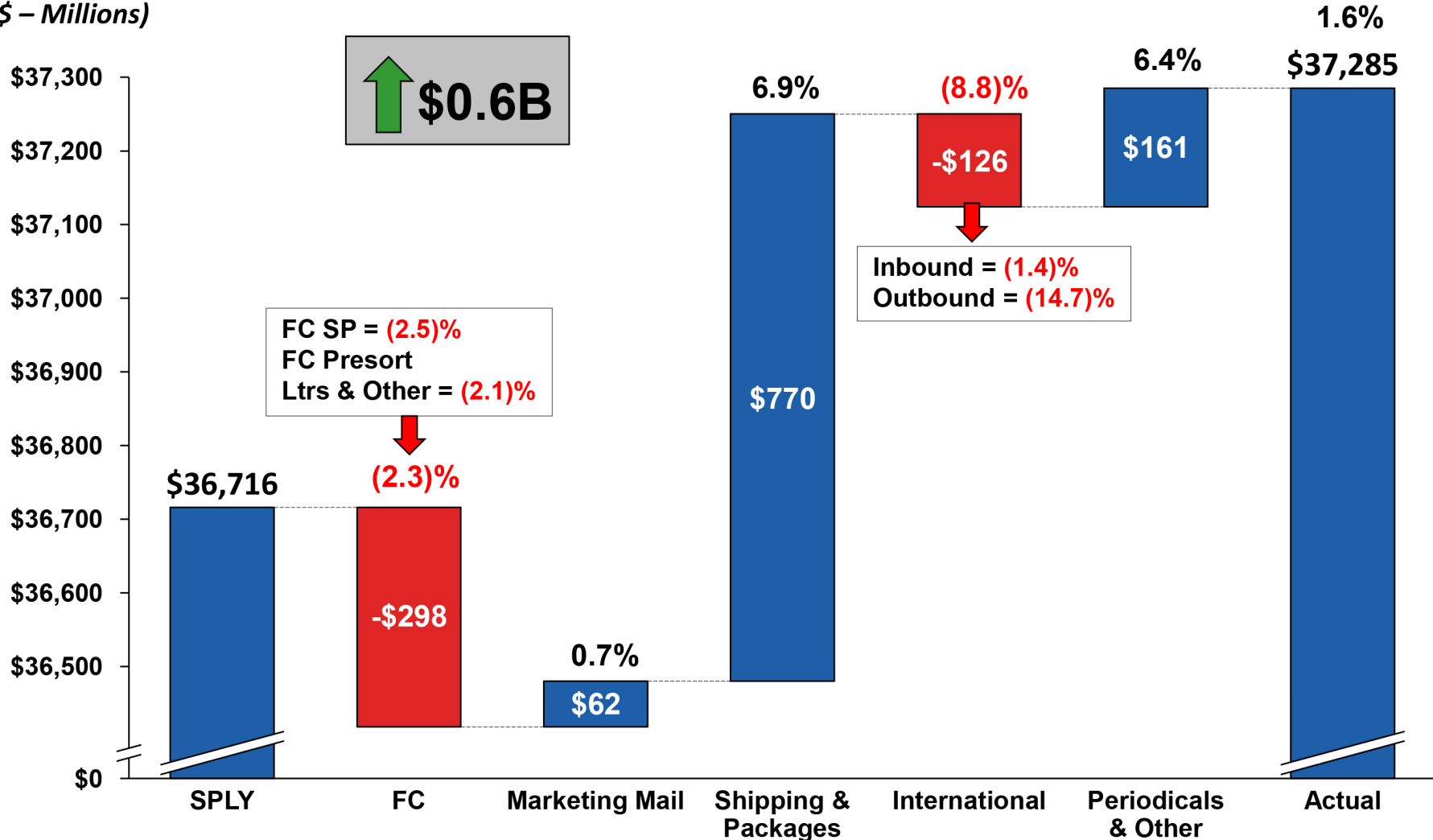
 **1.1B Pieces**



March YTD has one less delivery day and 1.75 less retail days as compared to SPLY.

Actual versus SPLY FY2019 March YTD Revenue

(\$ – Millions)



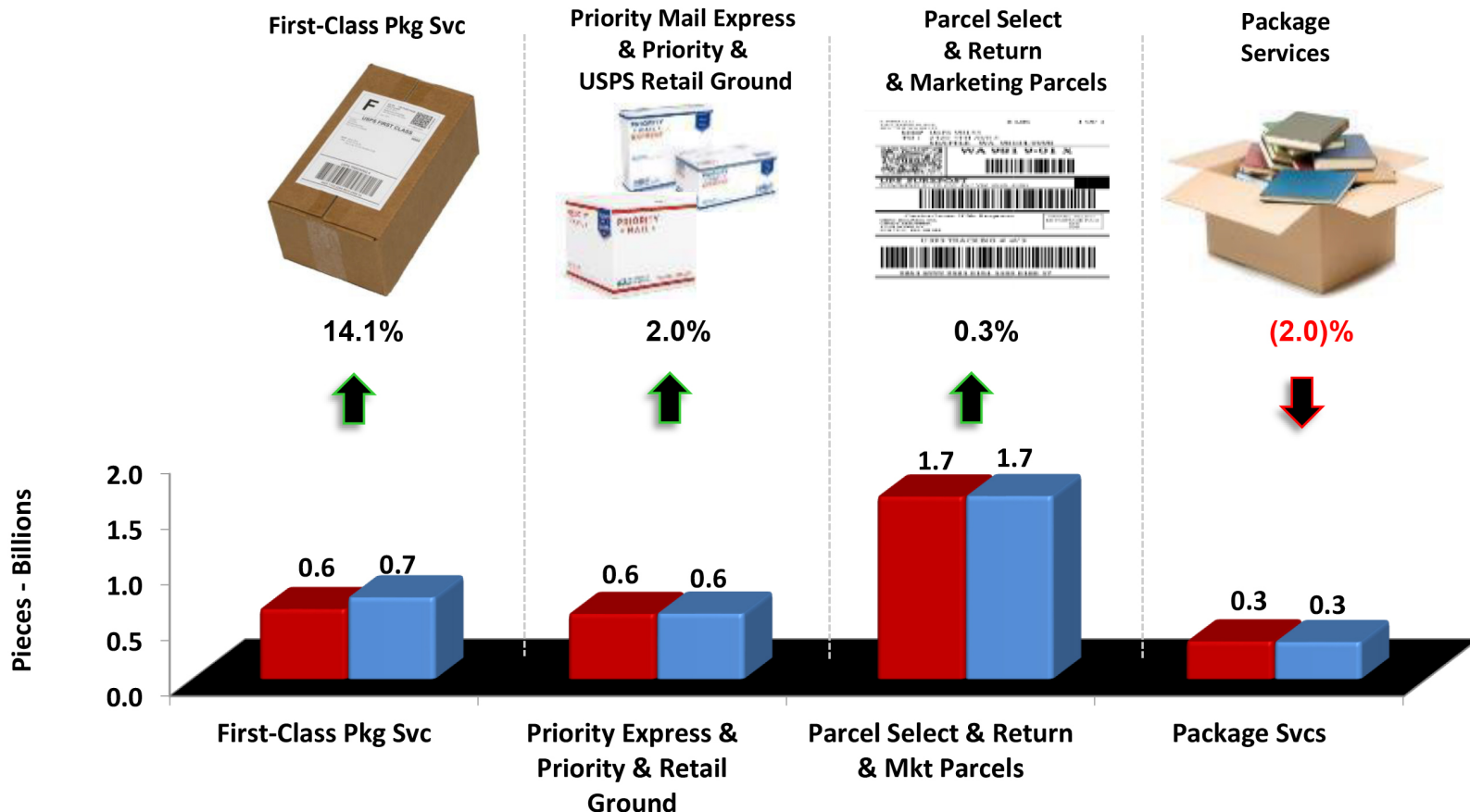
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Shipping & Packages Volume: FY2019 March YTD vs. SPLY

FY2018
3.2B



FY2019
3.3B



March YTD has one less delivery day and 1.75 less retail days as compared to SPLY.

Shipping & Packages Revenue: FY2019 March YTD vs. SPLY

FY2018
\$11.1B

↑ \$0.8B

FY2019
\$11.9B

First-Class Pkg Svc



17.5%



**Priority Mail Express
& Priority &
USPS Retail Ground**



3.2%



**Parcel Select
& Return
& Marketing Parcels**



7.7%



**Package
Services**



0.1%



March YTD has one less delivery day and 1.75 less retail days as compared to SPLY.

March YTD (6 Months) (Billions)	FY 2019	FY 2018
Compensation & Benefits ^{1, 2}	\$26.8	\$26.0
RHB Normal Cost	2.0	1.8
Transportation	4.3	4.1
Depreciation	0.8	0.8
Supplies & Services	1.4	1.5
Rent, Utilities & Other	<u>2.9</u>	<u>2.8</u>
Controllable Expenses	\$38.2	\$37.0

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Questions ?

**Please Press *1 On Your
Telephone Keypad**

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

Additional questions can be emailed to:
David.A.Partenheimer@usps.gov