

Open Session BOG Meeting Financial Update Quarter 2 & March YTD of FY2021

**Joseph Corbett, Chief Financial Officer &
Executive Vice President**

May 7, 2021



Financial Results

Q2 (3 Months) (Billions)	FY 2021	FY 2020
Total Revenue ¹	\$ 18.9	\$ 17.9
Controllable Expenses ^{1, 2}	<u>19.6</u>	<u>18.7</u>
Controllable Income (Loss) ^{1, 2}	(0.7)	(0.8)
RHB Unfunded Liability Amortization ³	(0.2)	(0.2)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	1.6	(2.6)
FERS Unfunded Liability Amortization ³	(0.3)	(0.4)
CSRS Unfunded Liability Amortization ³	<u>(0.5)</u>	<u>(0.5)</u>
Net Income (Loss) ¹	<u>\$ (0.1)</u>	<u>\$ (4.5)</u>

1 - Quarter 2, FY2021, has one less delivery day and one less retail day than Quarter 2, FY2020.

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 were based on OPM's latest estimates.

Financial Results

Q2 (3 Months) (Billions)	FY 2021	FY 2020
Total Revenue ¹	\$ 18.9	\$ 17.9
Controllable Expenses ^{1, 2}	<u>19.6</u>	<u>18.7</u>
Controllable Income (Loss) ^{1, 2}	(0.7)	(0.8)
RHB Unfunded Liability Amortization ³	(0.2)	(0.2)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	-	-
FERS Unfunded Liability Amortization ³	(0.3)	(0.4)
CSRS Unfunded Liability Amortization ³	<u>(0.5)</u>	<u>(0.5)</u>
Net Income (Loss) ¹	\$ (1.7)	\$ (1.9)
	Excluding WC Fair Value Adj.	

1 - Quarter 2, FY2021, has one less delivery day and one less retail day than Quarter 2, FY2020.

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 were based on OPM's latest estimates.

Financial Results

March YTD (6 Months) (Billions)	FY 2021	FY 2020
Total Revenue ¹	\$ 40.4	\$ 37.3
Controllable Expenses ^{1, 2}	<u>40.4</u>	<u>38.5</u>
Controllable Income (Loss) ^{1, 2}	-	(1.2)
RHB Unfunded Liability Amortization ³	(0.4)	(0.5)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	2.2	(2.1)
FERS Unfunded Liability Amortization ³	(0.7)	(0.6)
CSRS Unfunded Liability Amortization ³	<u>(0.9)</u>	<u>(0.9)</u>
Net Income (Loss) ¹	<u>\$ 0.2</u>	<u>\$ (5.3)</u>

1 - March YTD FY2021 has one less delivery day and one less retail day than March YTD FY2020.

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 were based on OPM's latest estimates.

Financial Results

March YTD (6 Months) (Billions)	FY 2021	FY 2020
Total Revenue ¹	\$ 40.4	\$ 37.3
Controllable Expenses ^{1, 2}	<u>40.4</u>	<u>38.5</u>
Controllable Income (Loss) ^{1, 2}	-	(1.2)
RHB Unfunded Liability Amortization ³	(0.4)	(0.5)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	-	-
FERS Unfunded Liability Amortization ³	(0.7)	(0.6)
CSRS Unfunded Liability Amortization ³	<u>(0.9)</u>	<u>(0.9)</u>
Net Income (Loss) ¹	<u>\$ (2.0)</u>	<u>\$ (3.2)</u>
	Excluding WC Fair Value Adj.	

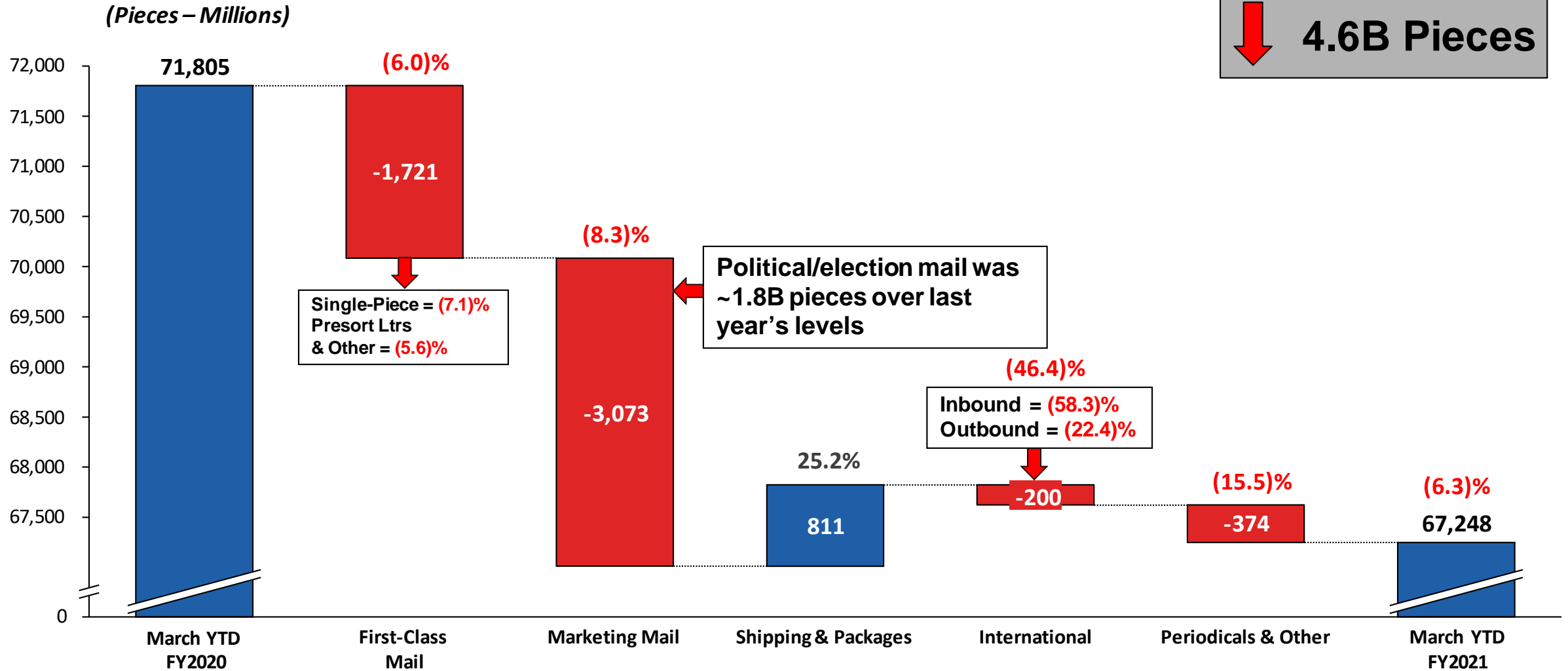
1 - March YTD FY2021 has one less delivery day and one less retail day than March YTD FY2020.

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 were based on OPM's latest estimates.

FY2021 vs. FY2020 March YTD Volume

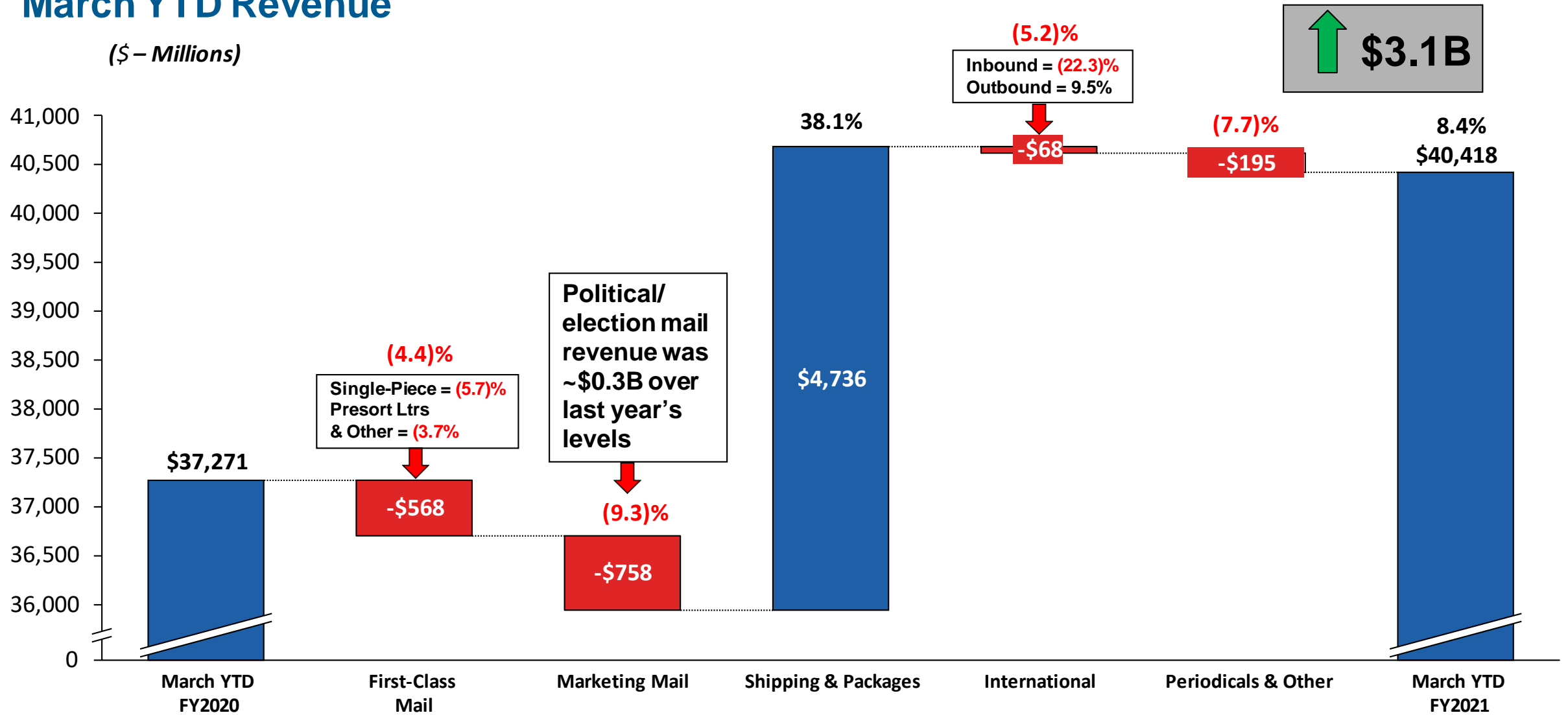
↓ 4.6B Pieces



March YTD FY2021 has one less delivery day and one less retail day than March YTD FY2020.

FY2021 vs. FY2020 March YTD Revenue

(\$ - Millions)



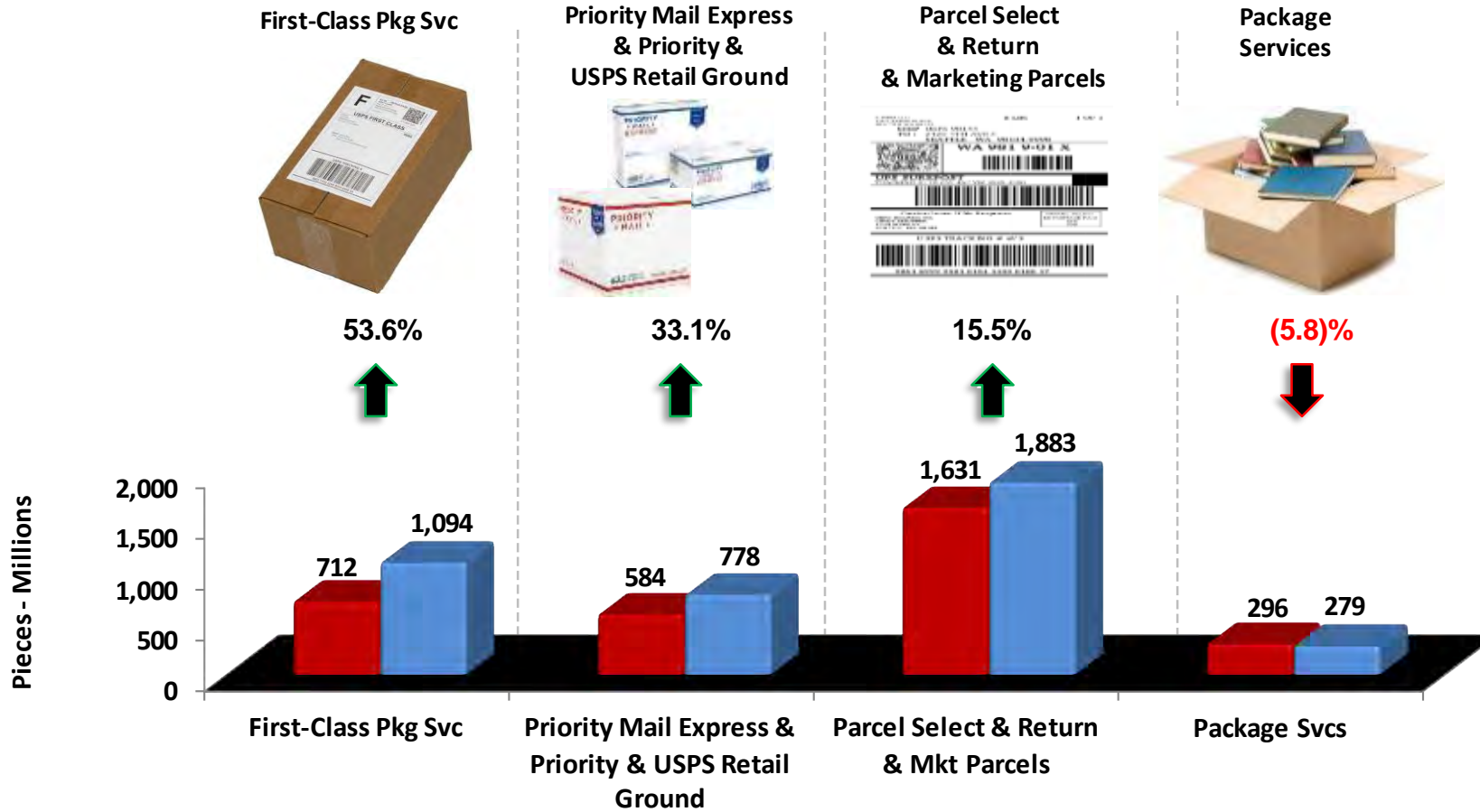
March YTD FY2021 has one less delivery day and one less retail day than March YTD FY2020.

Shipping & Packages Volume: FY2021 March YTD vs. FY2020

FY2020
3.2B

↑ 0.8B

FY2021
4.0B



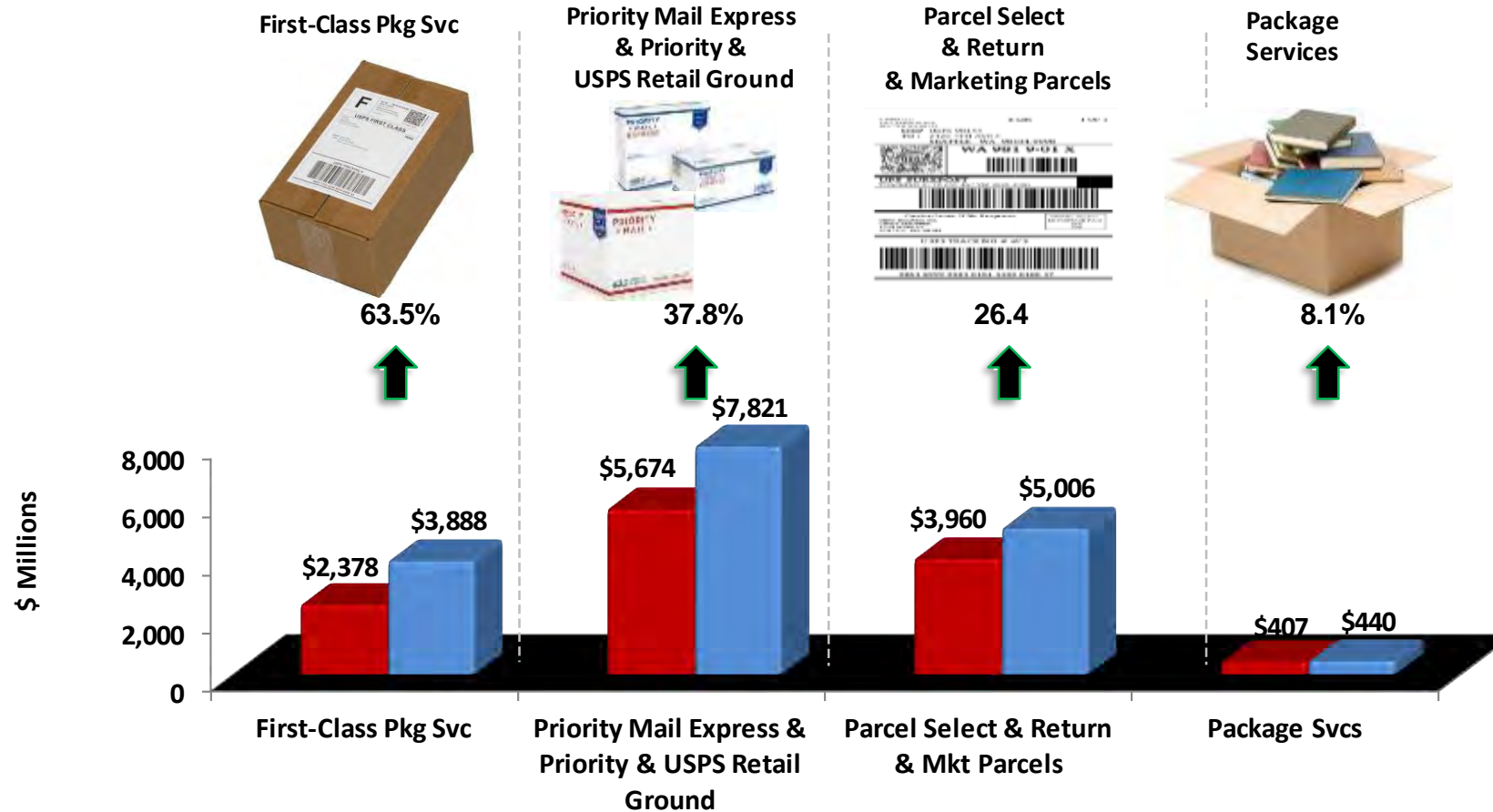
March YTD FY2021 has one less delivery day and one less retail day than March YTD FY2020.

Shipping & Packages Revenue: FY2021 March YTD vs. FY2020

FY2020
\$12.4B

↑ \$4.8B

FY2021
\$17.2B



March YTD FY2021 has one less delivery day and one less retail day than March YTD FY2020.

Controllable Expenses

March YTD (6 Months)	FY	FY
(Billions)	2021	2020
Compensation & Benefits ^{1, 2}	\$26.3	\$25.0
FERS Normal Cost	2.0	1.9
RHB Normal Cost	2.0	2.0
Transportation	4.9	4.4
Depreciation	0.8	0.9
Supplies & Services	1.6	1.5
Rent, Utilities & Other	<u>2.8</u>	<u>2.8</u>
Controllable Expenses	\$40.4	\$38.5

1 - March YTD FY2021 has one less delivery day and one less retail day than March YTD FY2020.

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.