

Quarterly Financial Report

Joe Corbett

Chief Financial Officer and Executive Vice
President

Thursday, May 5, 2022

Financial Results

Q2 (3 Months) (Billions)	FY 2022	FY 2021
Total Revenue ¹	\$ 19.8	\$ 18.9
Controllable Expenses ^{1,2}	<u>20.5</u>	<u>19.6</u>
Controllable Income (Loss) ^{1,2}	(0.7)	(0.7)
RHB Unfunded Liability Amortization ³	(0.2)	(0.2)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	1.1	1.6
FERS Unfunded Liability Amortization ³	(0.3)	(0.3)
CSRS Unfunded Liability Amortization ³	<u>(0.5)</u>	<u>(0.5)</u>
Net Income (Loss) ¹	\$ (0.6)	\$ (0.1)

1 - Quarter 2, FY2022, has the same number of delivery days and 0.75 more retail days than Quarter 2, FY2021.

2 - Before Retiree Health Benefits (RHB), Federal Employee Retirement System (FERS), and Civil Service Retirement System (CSRS) unfunded liability amortization payments, 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 updates.

Financial Results (excl. Workers' Compensation Non-Cash Adjustments)

Q2 (3 Months)	FY	FY
(Billions)	2022	2021
Total Revenue ¹	\$ 19.8	\$ 18.9
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FERS Unfunded Liability Amortization ³	(0.3)	(0.3)
CSRS Unfunded Liability Amortization ³	<u>(0.5)</u>	<u>(0.5)</u>
Net Income (Loss) ¹	<u>\$ (1.7)</u>	<u>\$ (1.7)</u>
	Excluding WC Non-Cash Adj.	

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Financial Results

March YTD (6 Months) (Billions)	FY 2022	FY 2021
Total Revenue ¹	\$ 41.1	\$ 40.4
Controllable Expenses ^{1, 2}	<u>42.0</u>	<u>40.4</u>
Controllable Income (Loss) ^{1, 2}	(0.9)	-
RHB Unfunded Liability Amortization ³	(0.5)	(0.4)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	0.8	2.2
FERS Unfunded Liability Amortization ³	(0.7)	(0.7)
CSRS Unfunded Liability Amortization ³	<u>(0.9)</u>	<u>(0.9)</u>
Net Income (Loss) ¹	\$ <u>(2.2)</u>	\$ <u>0.2</u>

1 - March YTD FY2022 has the same number of delivery days and 1.50 more retail days than March YTD FY2021.

2 - Before Retiree Health Benefits (RHB), Federal Employee Retirement System (FERS), and Civil Service Retirement System (CSRS) unfunded liability amortization payments, 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 updates.

Financial Results (excl. Workers' Compensation Non-Cash Adjustments)

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RHB Unfunded Liability Amortization ³	(0.5)	(0.4)
Workers' Comp. Fair Value Adj. and Other Non-Cash Adj.	-	-
FERS Unfunded Liability Amortization ³	(0.7)	(0.7)
CSRS Unfunded Liability Amortization ³	<u>(0.9)</u>	<u>(0.9)</u>
Net Income (Loss) ¹	<u>\$ (3.0)</u>	<u>\$ (2.0)</u>
	Excluding WC Non-Cash Adj.	

1 - March YTD FY2022 has the same number of delivery days and 1.50 more retail days than March YTD FY2021.

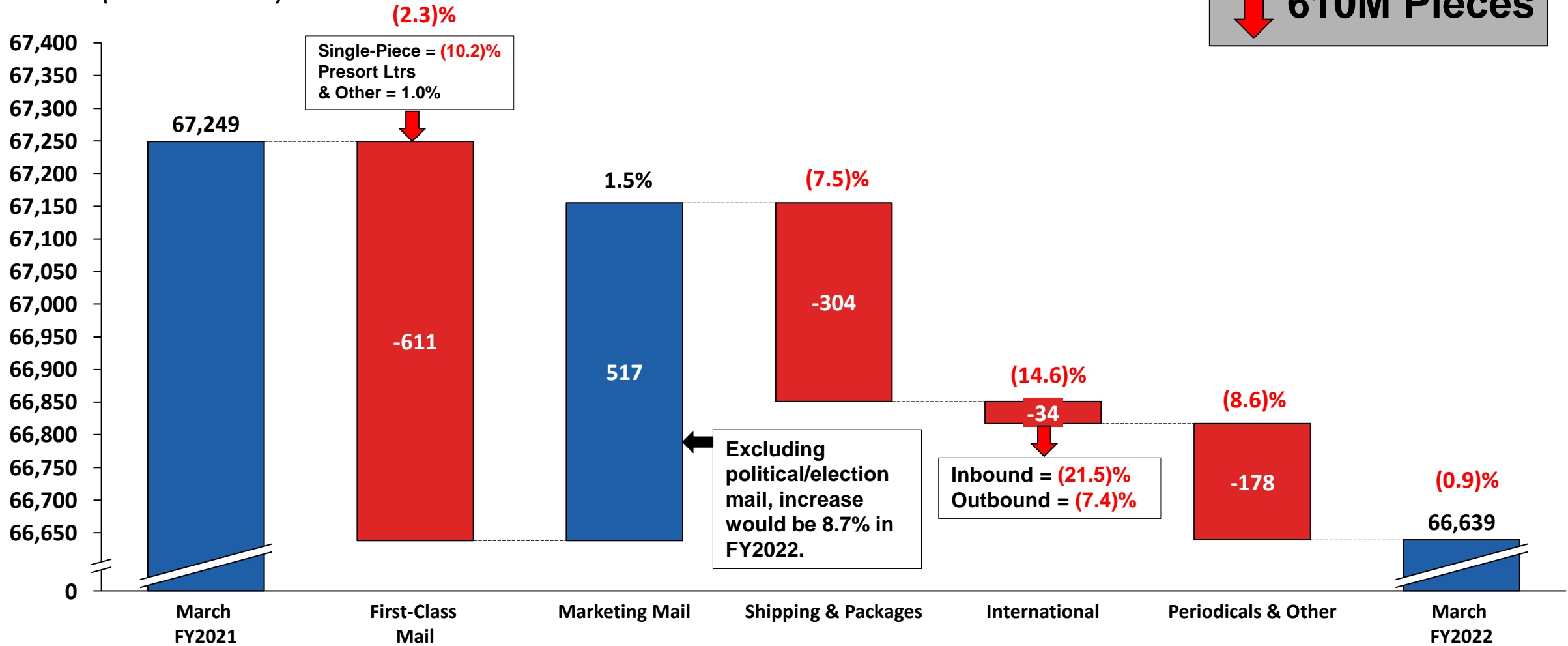
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FY2022 vs. FY2021 March YTD Volume

(Pieces – Millions)

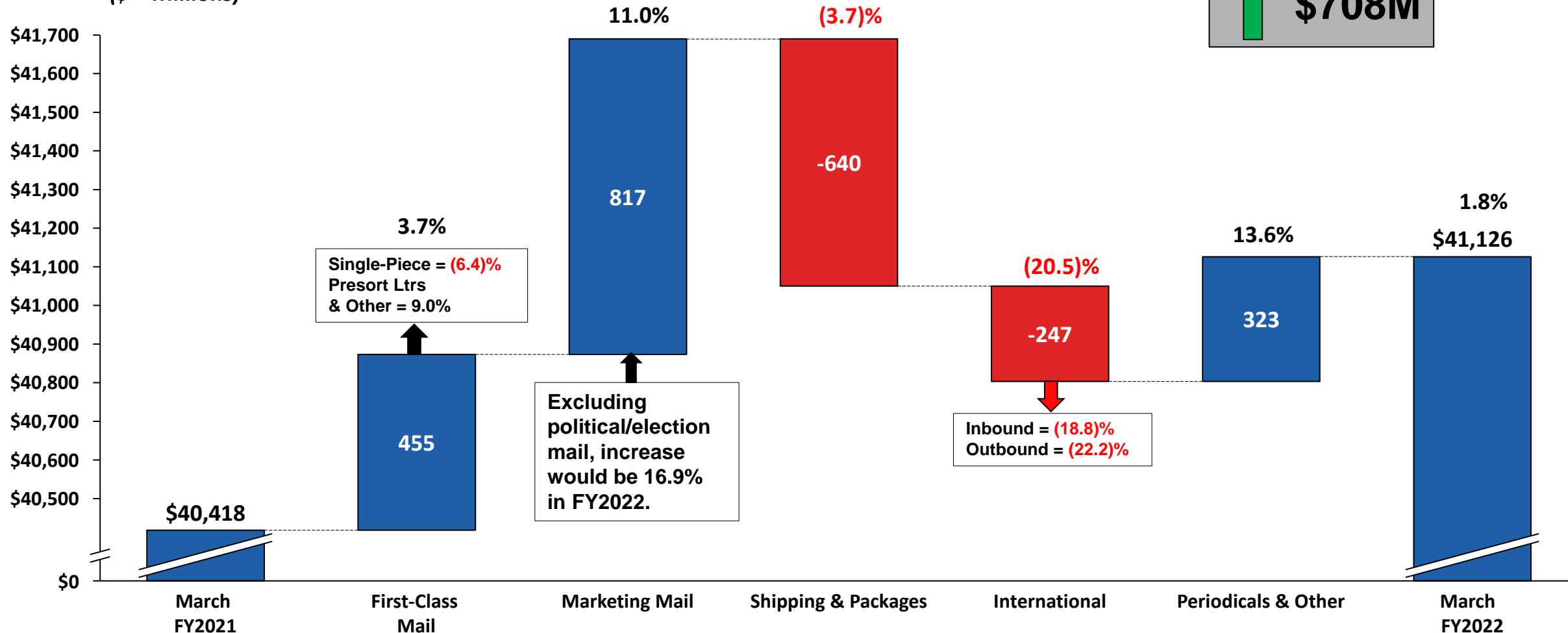
 **610M Pieces**



March YTD FY2022 has the same number of delivery days and 1.50 more retail days than March YTD FY2021.

FY2022 vs. FY2021 March YTD Revenue

(\$ - Millions)



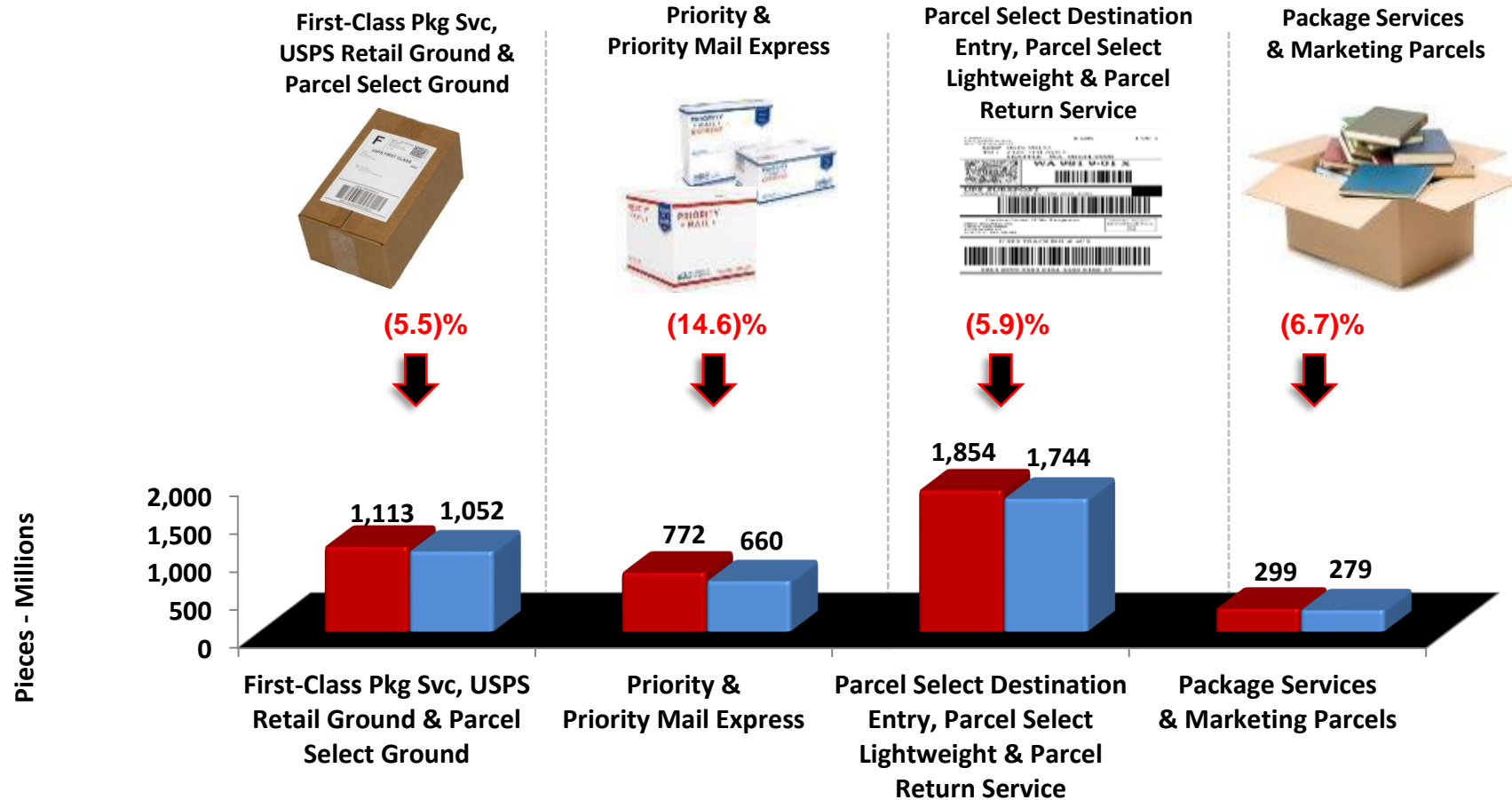
March YTD FY2022 has the same number of delivery days and 1.50 more retail days than March YTD FY2021.

Shipping & Packages Volume: FY2022 March YTD vs. FY2021

FY2021
4.0B

↓ -0.3B

FY2022
3.7B



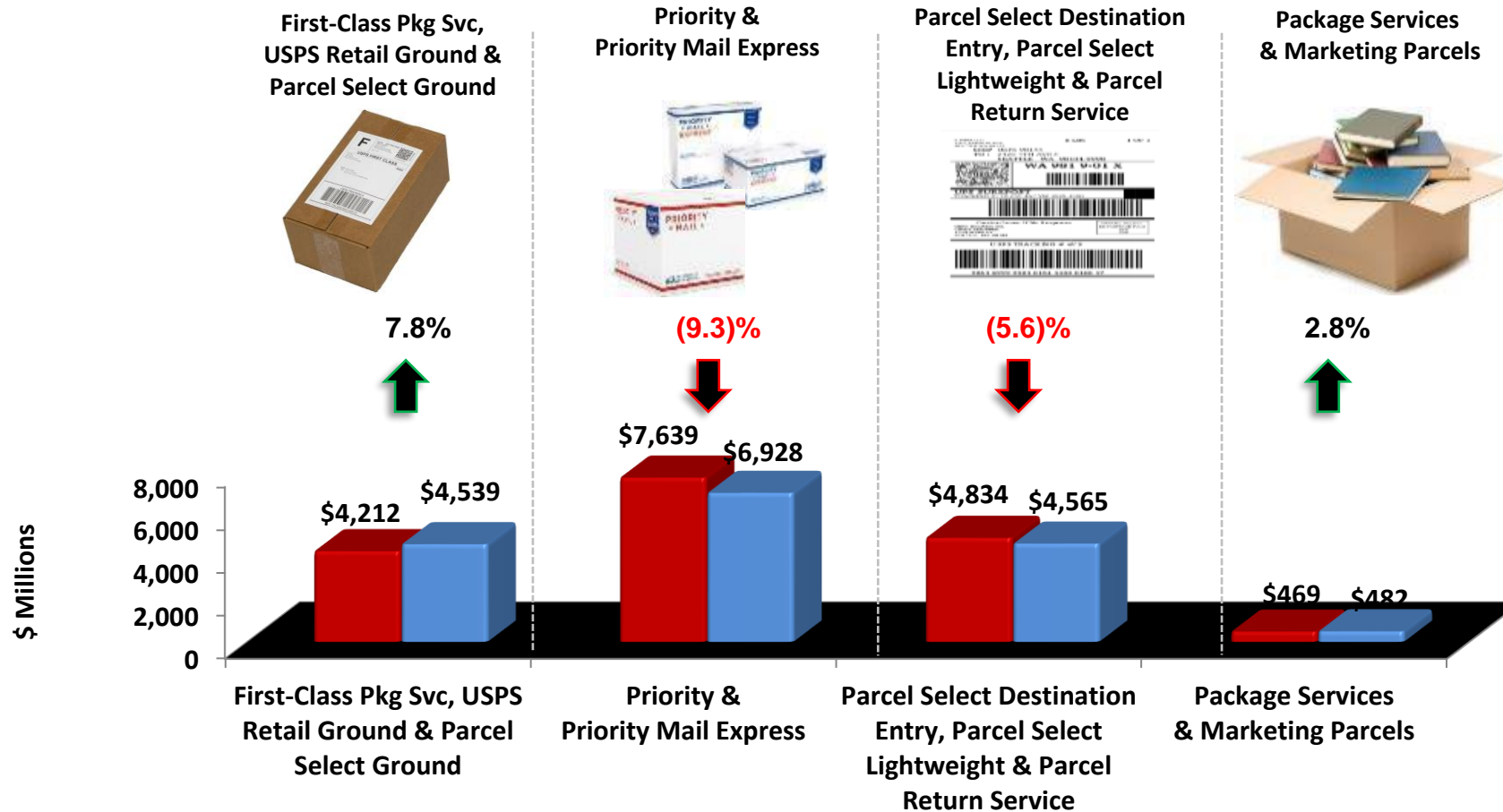
March YTD FY2022 has the same number of delivery days and 1.50 more retail days than March YTD FY2021.

Shipping & Packages Revenue: FY2022 March YTD vs. FY2021

FY2021
\$17.2B

↓ -\$0.7B

FY2022
\$16.5B



March YTD FY2022 has the same number of delivery days and 1.50 more retail days than March YTD FY2021.

Controllable Expenses

March YTD (6 Months) (Billions)	FY 2022	FY 2021
Compensation & Benefits ^{1, 2}	\$26.7	\$26.3
FERS Normal Cost	2.2	2.0
RHB Normal Cost	2.2	2.0
Transportation	5.2	4.9
Depreciation	0.8	0.8
Supplies & Services	1.6	1.6
Rent, Utilities & Other	<u>3.3</u>	<u>2.8</u>
Controllable Expenses	\$42.0	\$40.4

1 -March YTD FY2022 has the same number of delivery days and 1.50 more retail days than March YTD FY2021.

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

Balance Sheet – March 2022

Liabilities exceed assets after elimination of duplicate liabilities by ~\$151.9B

As of March 31, 2022

Total liabilities, including amounts payable to retirement funds, exceed assets by \$77.9B

<u>Assets</u>		<u>Liabilities & Net Deficiency</u>	
Unrestricted Cash	\$23.8B	Retirement & Retiree Health Benefits	\$76.2B
Restricted Cash	\$0.7B	Workers' Compensation	\$16.7B
Land, Buildings & Equipment, net	\$14.6B	Debt	\$11.0B
Other Assets	\$7.9B	Accrued Compensation, benefits, and leave	\$6.4B
		Deferred Revenue	\$2.5B
		Other	\$12.1B
		Total Liabilities	\$124.9B
		Total Net Deficiency	(\$77.9B)
Total Assets	\$47.0B	Total Liabilities and Net Deficiency	\$47.0B

Pension and RHB liabilities exceed assets by \$145.6B (as of Sept. 30, 2021)

<u>Assets</u>		<u>Liabilities & Net Deficiency</u>	
CSRS Fund Balance ¹	\$135.1B	CSRS Actuarial Liability	\$170.7B
FERS Fund Balance ¹	\$128.8B	FERS Actuarial Liability	\$157.5B
RHB Fund Balance ²	\$39.1B	RHB Actuarial Liability	\$120.4B
Total Retirement-Fund Assets	\$303.0B	Total Retirement-Related Liabilities	\$448.6B
		Unfunded Liabilities (Net Deficiency)	(\$145.6B)
Total Assets	\$303.0B	Total Liabilities & Net Deficiency	\$303.0B

¹ OPM projections as of September 30, 2021, include amortization payments due by September 30, 2021. Asset balances have been adjusted to reflect that payments were not made.

² OPM valuation as of September 30, 2021.