International Post Corporation

# U.S. Postal Service Reports First Quarter Fiscal 2019 Results

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The U.S. Postal Service reported total revenue of $19.7 billion for the first quarter of fiscal 2019 (October 1, 2018 - December 31, 2018), an increase of $553 million, or 2.9 percent, compared to the same quarter last year.

First-Class Mail revenue declined by $81 million, or 1.2 percent, on a volume decline of 428 million pieces, or 2.8 percent, compared to the same quarter last year. Meanwhile, Marketing Mail revenue increased by $218 million, or 4.9 percent, on volume growth of 1.0 billion pieces, or 4.8 percent, compared to the same quarter last year. Shipping and Packages revenue increased by $516 million, or 8.7 percent, on volume growth of 93 million pieces, or 5.4 percent, compared to the same quarter last year.

Total operating expenses were $21.2 billion for the quarter, an increase of $1.6 billion, or 7.9 percent, compared to the same quarter last year. Excluding the impact of the $621 million non-cash workers' compensation expense increase resulting from changes in interest rates and actuarial assumptions, operating expenses would have been $20.6 billion for the quarter, an increase of $939 million, or 4.8 percent, compared to the same quarter last year. The remaining operating expense increase was largely driven by increases in compensation and benefits of $657 million, due to additional hours and contractual wage adjustments, and transportation costs of $207 million, due to higher fuel costs and highway contract rate inflation.

The net loss for the quarter totaled $1.5 billion, an increase in net loss of nearly $1.0 billion compared to the same quarter last year.

“We continued to drive growth in our package business and expanded use of the marketing mail channel during the quarter. Nevertheless, we face ongoing financial challenges. We remain focused on aggressive management of the business, legislative reform, and pricing system reform, all of which are necessary to put the Postal Service on firm financial footing,” said Postmaster General and CEO Megan J. Brennan. “Our nation is best served by a financially sustainable Postal Service that can invest in its future and meet the evolving mailing and shipping needs of the American public.”

The controllable loss for the quarter was $103 million, compared to controllable income of $353 million for the same quarter last year.

"Overall volumes increased this quarter driven primarily by growth in Marketing Mail and our package business, which resulted in total revenue growth of $553 million," said Chief Financial Officer and Executive Vice President Joseph Corbett. "This growth was offset by increased work hours and related salaries and benefits, increases in transportation costs due to these higher volumes and the continued focus on meeting customers' needs."

Source: USPS


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