



Postage Optimization the Value of Commingle

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Topics

- Value of Mail
- Rate Change and Discount Values Historical Trend
- Discounts and Promotions
- Optimization Through Commingling
- Performance
- Questions

The Value of Mail

Value to U.S. economy

- 7.9 million jobs supported by the U.S. mailing industry — 5.0% of the nation's total civilian labor force
- \$1.9 trillion in sales revenue contributed to the U.S. economy — 4.1% of total U.S. output

Value to business

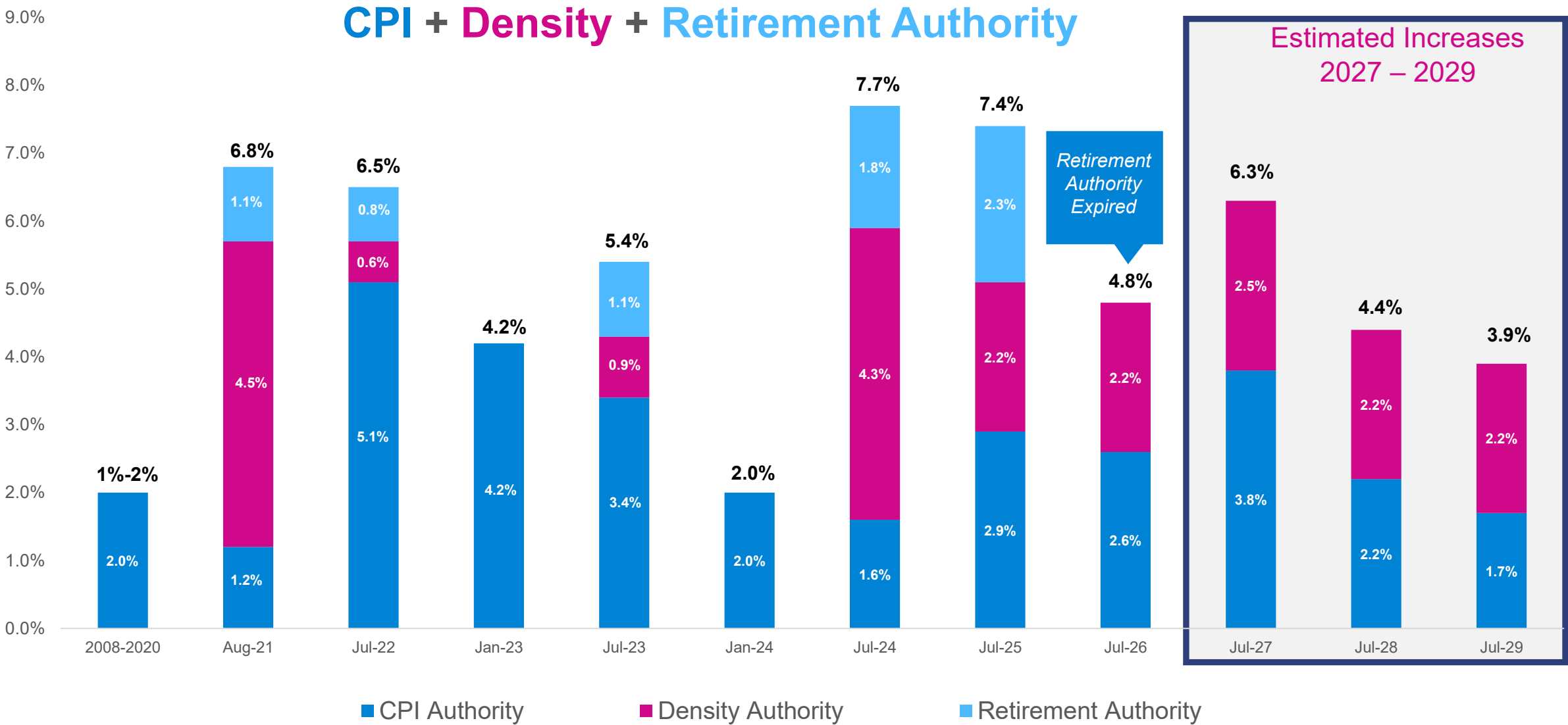
- Marketing Mail remains one of the most effective customer acquisition and retention channels
- USPS Household Diary reports 60% read rate for marketing mail sent to existing customers
- Transactional mail remains a critical communications channel for business – 52% of all bills and statements are still delivered by mail

Value to consumers

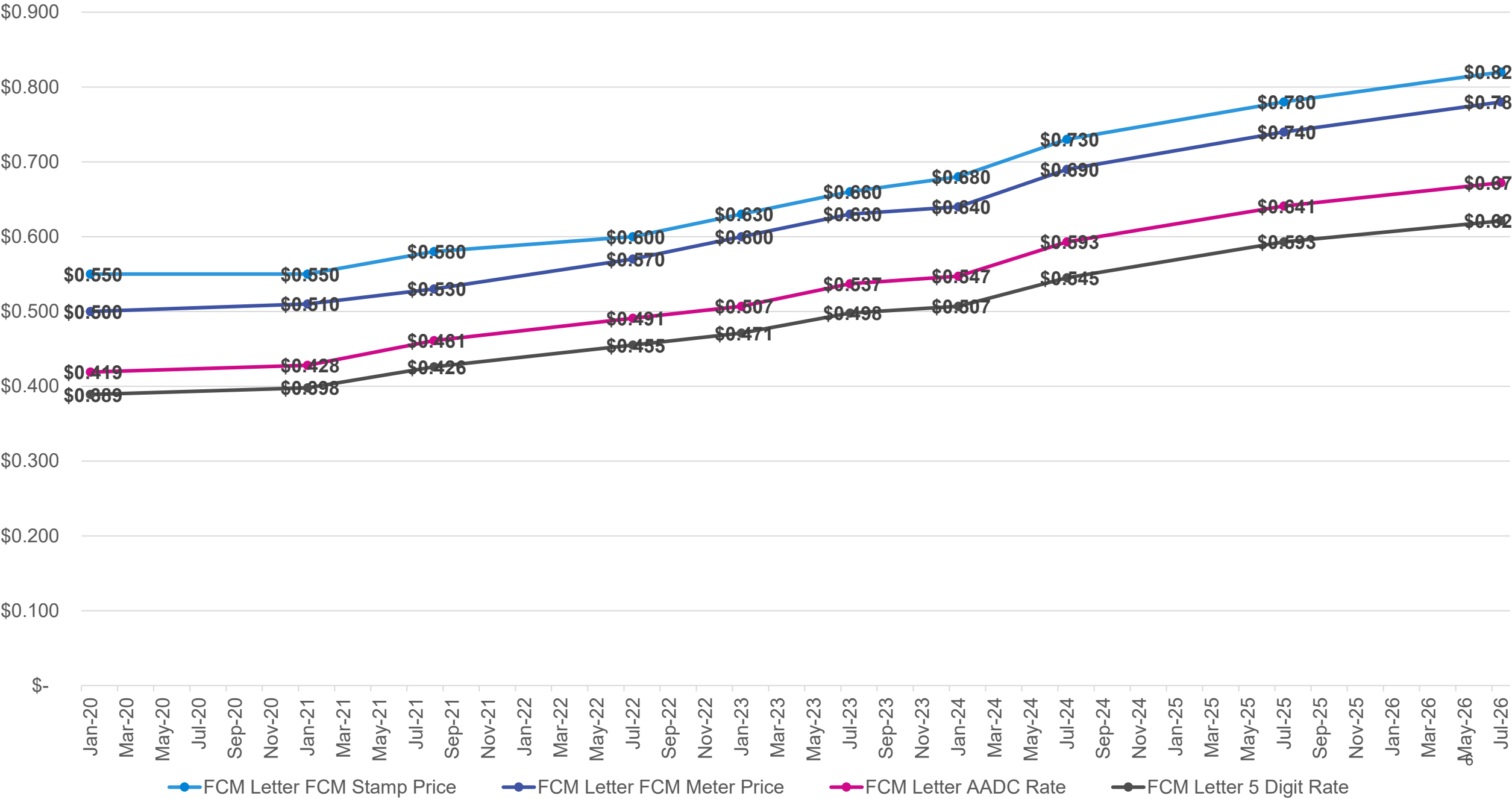
- Critical trusted and secure channel for financial documents, healthcare information and official government notices
- More than half of consumers (52%) report trying a new business, product or service because of Marketing Mail

Rate Change and Discount Values Historical Trend

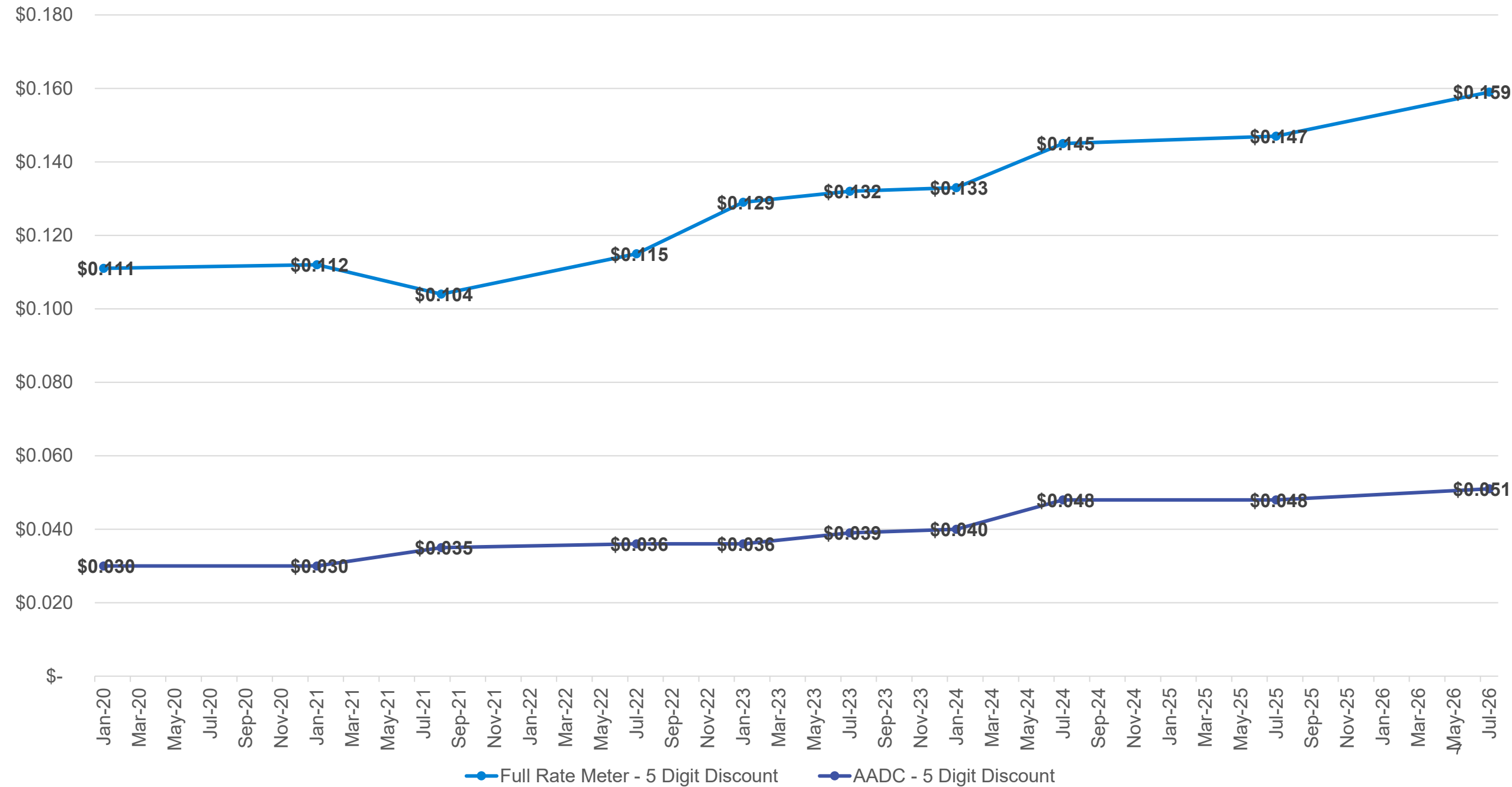
Components of USPS Rate Increases on Mail



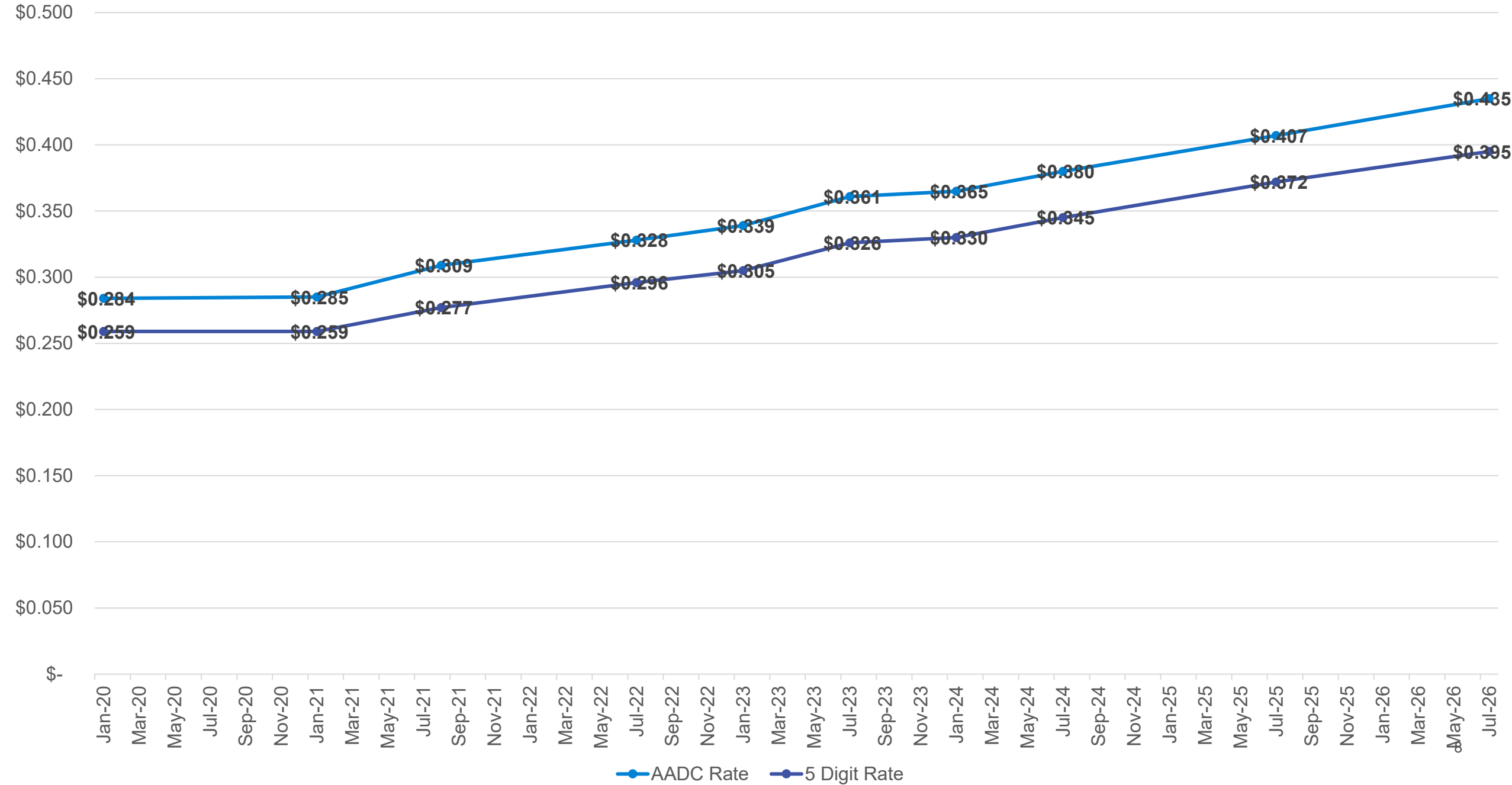
First-Class Mail Postage Trend 2020 - 2026



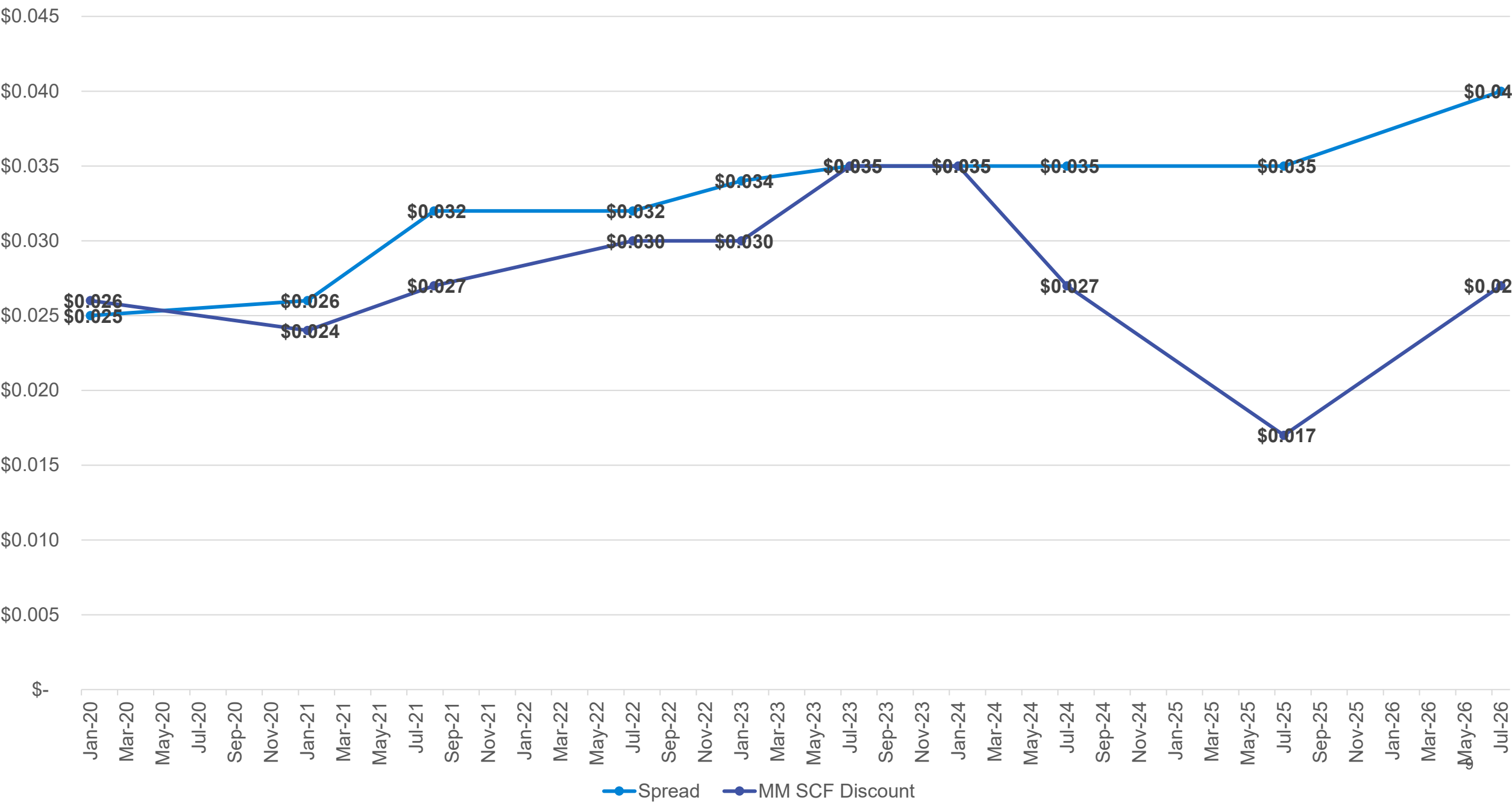
5 Digit Discount Trend 2020 - 2026



Marketing Mail Postage Trend 2020 - 2026



Marketing Mail Discount Trend 2020 - 2026



Discounts and Promotions

Discounts and Incentives

Full-Service IMb

- Unique piece, tray, and container barcodes
- Electronic documentation (eDoc) submission
- Accurate MID, CRID, and By/For relationships

Seamless Acceptance

- Full-Service compliance required
- USPS verifies mail quality through automated scans
- Ongoing management of Mail Quality Data (MQD) errors

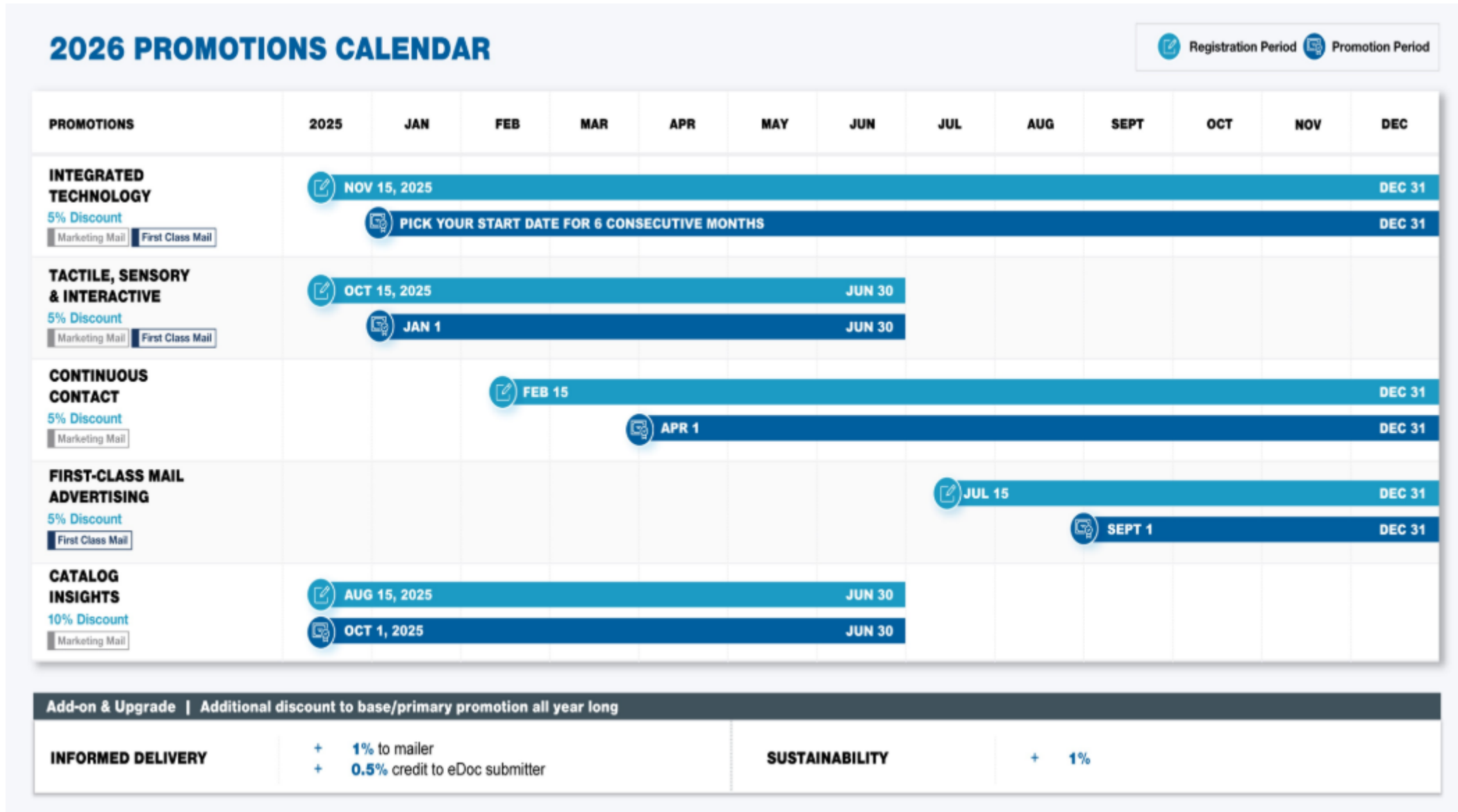
SCF Pallet Discount

- Mail prepared to SCF destination pallets
- Meets USPS palletization and containerization standards
- Destination entry or co-mail/co-pallet equivalent preparation

Drop Ship (DSCF/DDU)

- Mail entered closer to final destination
- FAST appointment compliance required
- Redirection and destination entry requirements met

2026 CY Promotions



2027 CY Promotions

2027 PROMOTIONS CALENDAR

PROMOTIONS	OCT-DEC 2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
INTEGRATED TECHNOLOGY 5% DISCOUNT Marketing Mail First Class Mail	NOV 15, 2026 DEC 31												
	PICK YOUR START DATE FOR 6 CONSECUTIVE MONTHS DEC 31												
TACTILE, SENSORY & INTERACTIVE 3% DISCOUNT BASIC 5% DISCOUNT ADVANCED Marketing Mail First Class Mail	OCT 15, 2026 JUN 30												
	JAN 1 JUN 30												
DIRECT MAIL DISCOVERY NEW 40% DISCOUNT +5% Credit to eDoc Submitter Marketing Mail	FEB 15 SEPT 30												
	APR 1 SEPT 30												
IMPACT MESSAGING 5% DISCOUNT Marketing Mail First Class Mail	MAR 15 SEPT 30												
	MAY 1 SEPT 30												
FIRST-CLASS MAIL ADVERTISING 5% DISCOUNT First Class Mail	FEB 15 DEC 31												
	APR 1 DEC 31												
Add-Ons Additional discount applied to Promotions all year round.													
INFORMED DELIVERY + 1% to Mailer + 0.5% Credit to eDoc Submitter				SUSTAINABILITY + 1% to Mailer				*40% discount on 5,000 pieces per mailing, up to 100,000 total					

*40% discount on 5,000 pieces per mailing, up to 100,000 total

Postage Comparison - FCM

Postage Example Qualification Discounts Only

Rate Category	Pieces	Postage Rate	Cost
5 Digit	224,850	\$0.621	\$ 139,631.85
AADC (3 Digit)	274,150	\$0.672	\$ 184,228.80
Working	1,000	\$0.707	\$ 707.00
Total	500,000		\$ 324,567.65

Postage Example w/all Discounts, Incentives, and Promotions

Rate Category	Pieces	Postage Rate	SCF Pallet	Full Service	Promotions (IT+ST+ID)	Seamless	Cost
5 Digit	224,850	0.621	\$337.275	\$1,124.250	\$9,671.92	\$449.700	\$128,048.70
AADC (3 Digit)	274,150	0.672	\$337.205	\$1,370.750	\$12,776.46	\$548.300	\$169,196.09
Working	1,000	0.707	\$-	\$5.000	\$49.14	\$2.000	\$650.65
Total	500,000						\$297,895.65

Postage Comparison - MM

Postage Example Qualification Discounts Only – Local Entry

Rate Category	Pieces	Postage Rate	Cost
5 Digit	224,850	\$0.395	\$88,815.75
AADC (3 Digit)	274,150	\$0.435	\$119,255.25
Working	1,000	\$0.467	\$467.00
Total	500,000		\$208,538.00

Postage Example w/all Discounts, Incentives, and Promotions

Rate Category	Pieces	DSCF Volume	Avg PPP	SCF Pallet	Full Service	Promotions (IT+ST+ID)	Seamless	Cost
5 Digit	224,850	184,377	\$0.3778	\$553.131	\$1,124.250	\$5,828.97	\$449.700	\$76,992.28
AADC (3 Digit)	274,150	224,803	\$0.4178	\$674.409	\$1,370.750	\$7,874.63	\$548.300	\$104,071.78
Working	1,000	0	\$0.467	\$0.00	\$5.000	\$32.34	\$2.000	\$427.66
Total	500,000							\$181,491.72

Can we capture the Full Savings in a stand-alone environment?

Considerations

- Are all identified discounts achievable within our current operating model and real-estate?
- Are there opportunities to increase savings through commingling or co-palletization partnerships?
- Can additional mail volume be combined to improve presort depth and destination qualification?
- What transportation, operational, or technology investments are required to realize these savings?
- Does the incremental savings justify the associated costs and complexity?

Optimization through Commingle

Types of “Co” Processing



CoMail

Combining Various Flat Types into a single bundle and container. Driving additional volume in CR and Automation as well as Containerization to the SCF/DDU.



Commingle

Combining mail from multiple clients and presorting it together to qualify for deeper USPS discounts.



Co-Trans (Consolidation for Drop Ship)

Shares the cost of Pallet transportation to Destination Entry facilities enabling a high % of utilization.



By / Pass (Old Co-Palletization)

Utilizes mailing data for finalized 5-Digit Trays to be sent from one mailer to another for induction. Increases utilization of SCF Pallet discount, avoids management of USPS induction, creates scale improving performance.

Commingle comparison to Self Presentation - FCM

Stand-Alone Optimized

Presort	# Pieces	\$ Postage
5-Digit	224,850	\$128,048.70
3-Digit	274,150	\$169,196.09
Mixed	1,000	\$650.65
Total	500,000	\$297,895.65

Commingled

Presort	# Pieces	\$ Postage
5-Digit	475,000	\$269,842.75
3-Digit	24,000	\$14,772.48
Mixed	1,000	\$650.65
Total	500,000	\$285,265.88

- Assumes the stand-alone mailing utilized 100% of available discounts in comparison
- \$12,629.77 in additional postage optimization through commingle
- Opportunity to negotiate with partner to identify the stand alone mailing additional savings available

Commingle comparison to Self Presentation - MM

Stand-Alone Optimized

Presort	# Pieces	\$ Postage
5-Digit	224,850	\$76,992.28
3-Digit	274,150	\$104,071.78
Mixed	1,000	\$427.66
Total	500,000	\$181,491.72

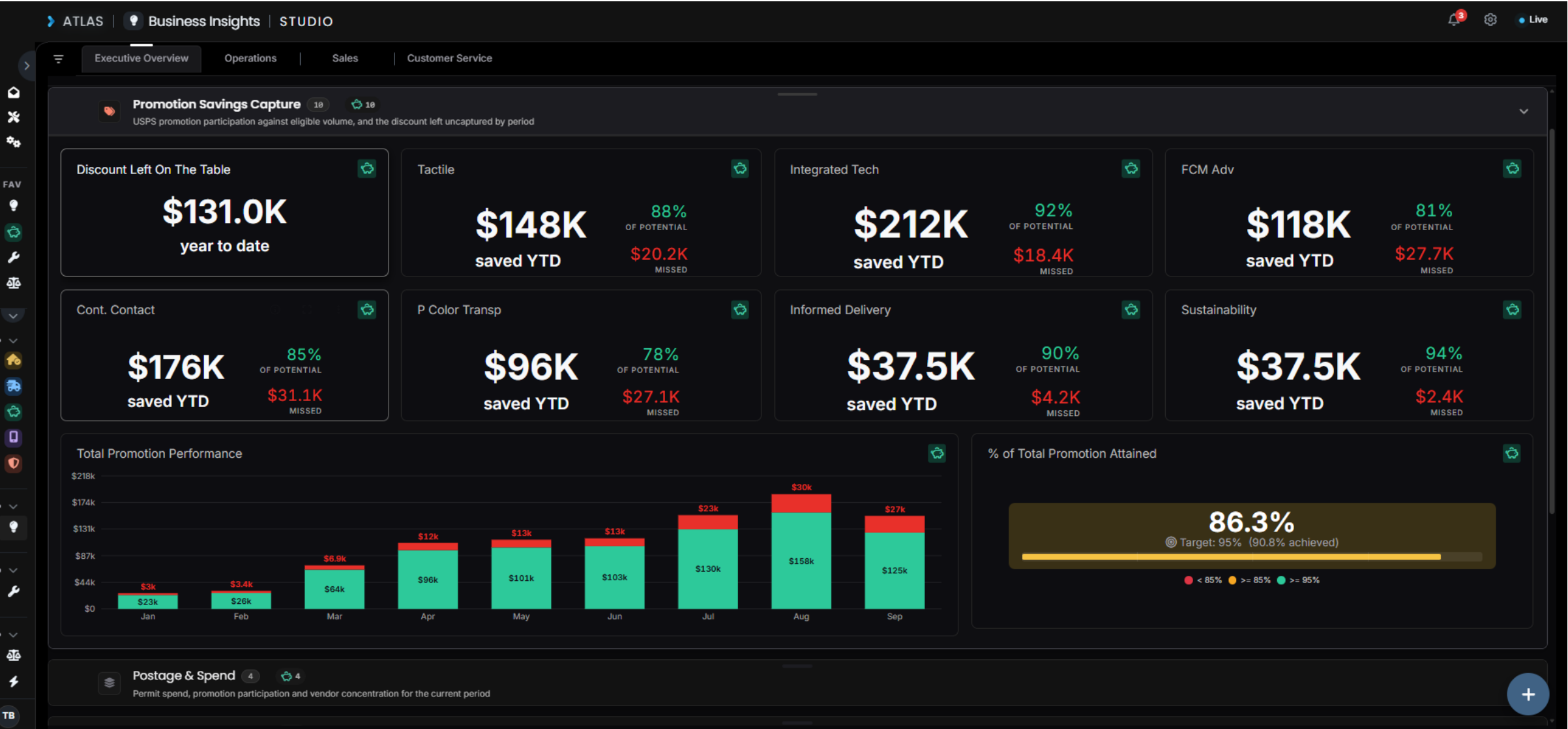
Commingled

Presort	# Pieces	\$ Postage
5-Digit	475,000	\$160,730.50
3-Digit	24,000	\$9,013.92
Mixed	1,000	\$650.65
Total	500,000	\$170,395.07

- Assumes the stand-alone mailing utilized 100% of available discounts in comparison
- \$11,096.65 in additional postage optimization through commingle
- Much higher % of DSCF Entered Mail Achievable increasing performance predictability of mail
- Opportunity to negotiate with partner to identify the stand alone mailing additional savings available

Next Generation Mail Flow Analytics Emerging (Macro Story)

Instantly know everything important about maxing promotion savings.



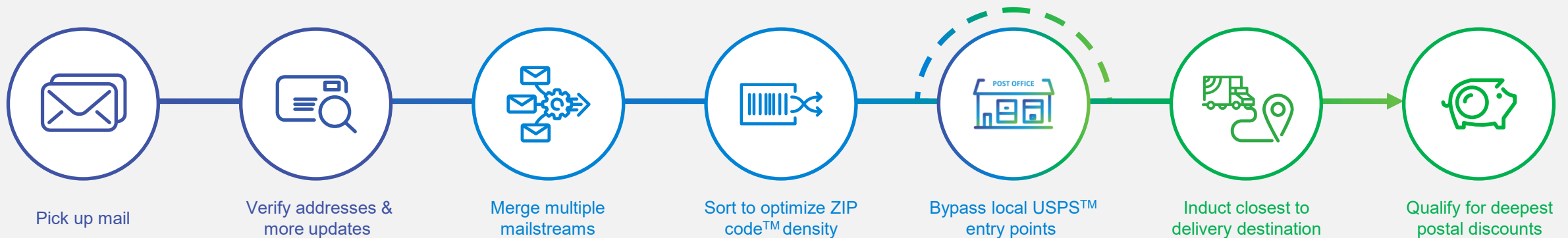
How Commingling Works

What is commingling?

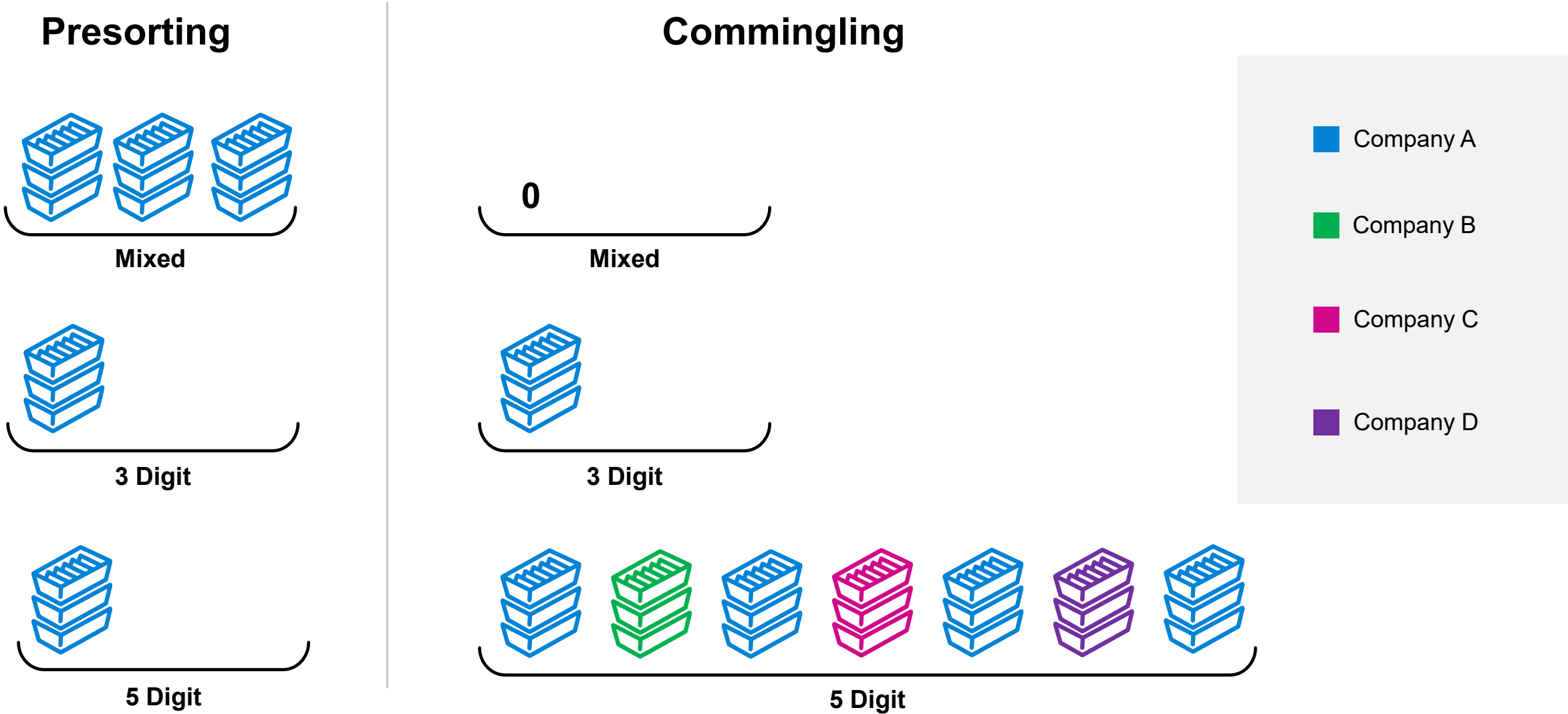
Aggregating mail from dozens or hundreds of mailers into a single combined mailstream, then presorting and preparing it for entry into the USPS® network.

What it does

- Increases mail density to unlock bigger postage savings
- Enables deeper entry into the USPS® network
- Faster delivery
- Helps make delivery timing more predictable



Commingling = Improved Qualification



Why Commingling Matters — For Mailers and USPS®

Benefits for mailers



Simplifies operations by removing the need for in-house sorting equipment, software, and staff



Increases postage savings by combining volume with other mailers to unlock deeper discounts



Reduces overall mailing costs and operational complexity



Improves service performance

Benefits for USPS®



Improves service performance through deeper induction and optimized sortation



Enhances profitability by making mail more efficient to process and deliver



Helps protect mail volume by keeping mailing cost-effective for businesses



Reduces demand on USPS® customer service, induction, and support resources



Supports more consistent, predictable delivery performance nationwide

Commingle Equipment



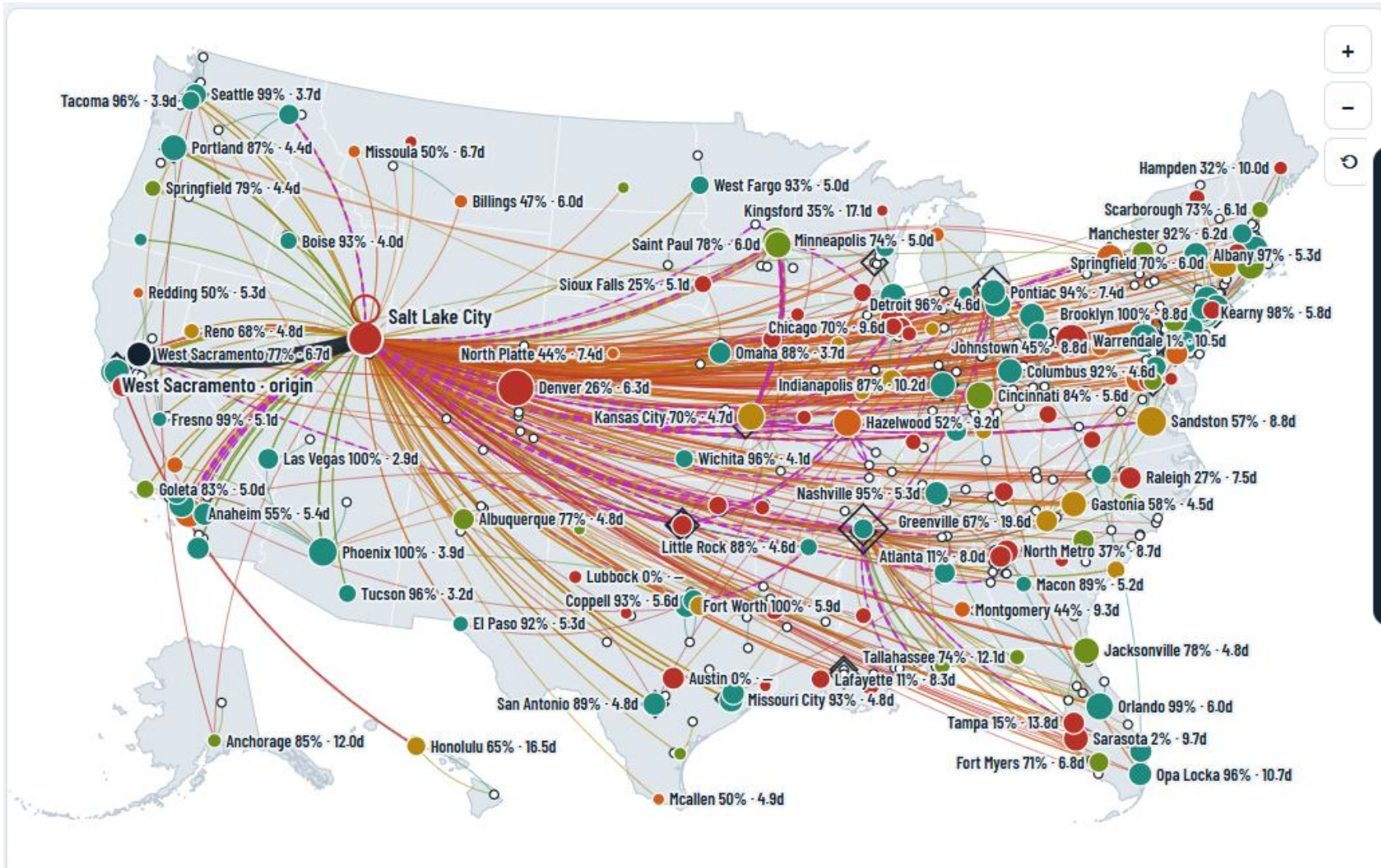
What the data shows

- Mail volume and movement
- Operational performance across the network
- Trends over time, by lane and by mail type

Why it matters

- Greater visibility into what's happening across the mailstream, for individual mailers and in aggregate
- Helps identify opportunities for improvement in how mail moves
- Supports more informed planning and decision-making, for mailers, the industry, and USPS®
- Better understanding of mail movement, performance, and trends benefits not just individual mailers, but the broader mailing industry

Next Generation Mail Flow Analytics Emerging (Micro Layers)



STEP 1 OF 9

Exit story

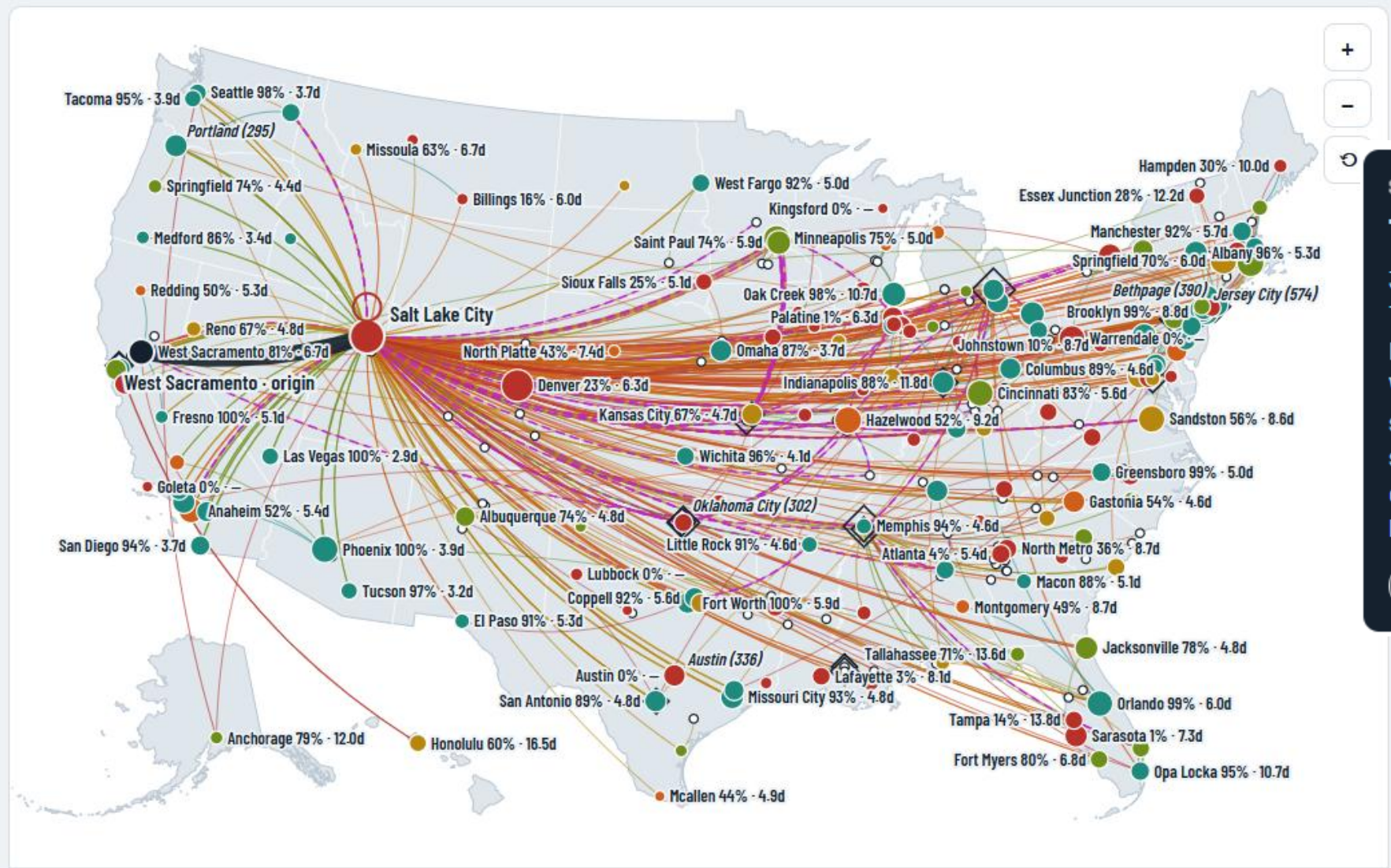
The whole picture

49,296 pieces from jobs 7769001A and 7770001A were accepted at West Sacramento and trucked to Salt Lake City for their outgoing bundle sort. 27.9% were delivered (7,212 with a stop-the-clock scan, 6,564 by logical delivery) and 5.0% were delivered on time. Line color shows how long each hop took; red lines took five days or more.

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Next Generation Mail Flow Analytics Emerging (Micro Layers)



Next Generation Postal Intelligence Insights Emerging (Micro Picture)

What happened

24,990 pieces were handed to USPS at West Sacramento. 1.5% arrived on time, and 28.2% have a USPS delivery record.

TALKING POINTS

100.0%

of the mail was seen by USPS scanners

USPS tracked essentially every piece, so the story below is based on the whole mailing.

2.7 days

waiting at Salt Lake City before sorting

USPS sent the mail to Salt Lake City for its first sort instead of sorting it where it was accepted, and it sat there over the weekend.

63.6%

sorted like packages instead of flat mail

USPS ran these pieces through equipment meant for packages. Mail sorted this way was about as often on time as the rest (1.7% against 1.1%), so this was not what held it back.

4.5%

headed to areas USPS redirected

USPS changed which building handles mail for these areas. That mail was about as often on time as the rest (2.0% against 1.5%), so this was not what held it back.

1.5%

arrived by the date USPS expected

Half of the recorded deliveries took until day 9, after the detour through Salt Lake City.

28.2%

have a USPS delivery record

For the other 71.8%, USPS stopped reporting before delivery, so their arrival can't be confirmed.

Next Generation Mail Flow Analytics Emerging (Macro Story)

Know everything that matters about delivery instantly.



Next Generation Mail Flow Analytics Emerging (Macro Story)

The ceiling of today’s capabilities is your imagination.



ATLAS | Business Insights | STUDIO

Executive Overview | Operations | Sales | Customer Service

Promotion Savings Capture 10 10
USPS promotion participation against eligible volume, and the discount left uncaptured by period

Postage & Spend 4 4
Permit spend, promotion participation and vendor concentration for the current period

Regional Delivery 2 2
Scan volume trends and top performing states measured against service standards

Vendor Spend Concentration 3 3
Share of postage spend by mail service provider, with quarter over quarter movement and single-vendor exposure

Permit Account Health 4 4
Permit and CAPS account balances, deposit cadence and accounts trending toward a funding gap

Service Standard Compliance 3 3
Delivery against published USPS service standards by mail class and region, with days-late distribution

Scan Gap Diagnostics 3 3
Pieces missing an expected scan event, grouped by facility and processing step to isolate where visibility breaks

Delivery Exception Recovery 2 2
Undeliverable and delayed pieces by exception reason, and how long each reason takes to clear

Address Deliverability Audit 3 3
CASS results and deliverability by record type, isolating the address defects that generate returned mail

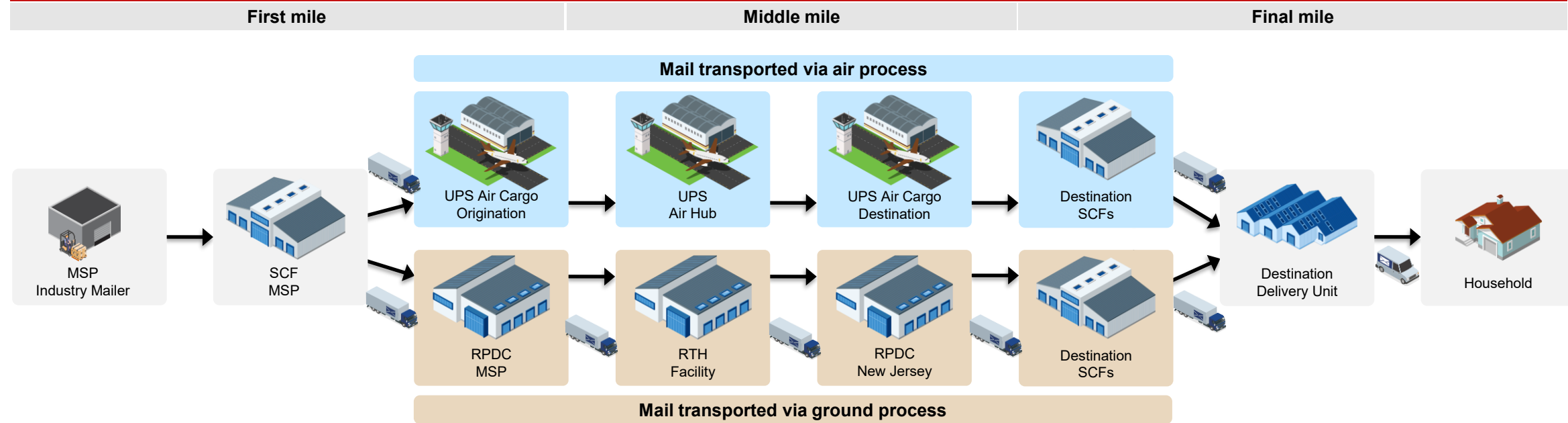
CASS Processing Throughput 2 2
Validation volume and turnaround by batch, showing where address hygiene jobs queue before a mailing

Email Deliverability Health 3 3
Bounce, spam placement and send reputation for Informed Delivery emails, by sending domain

Performance

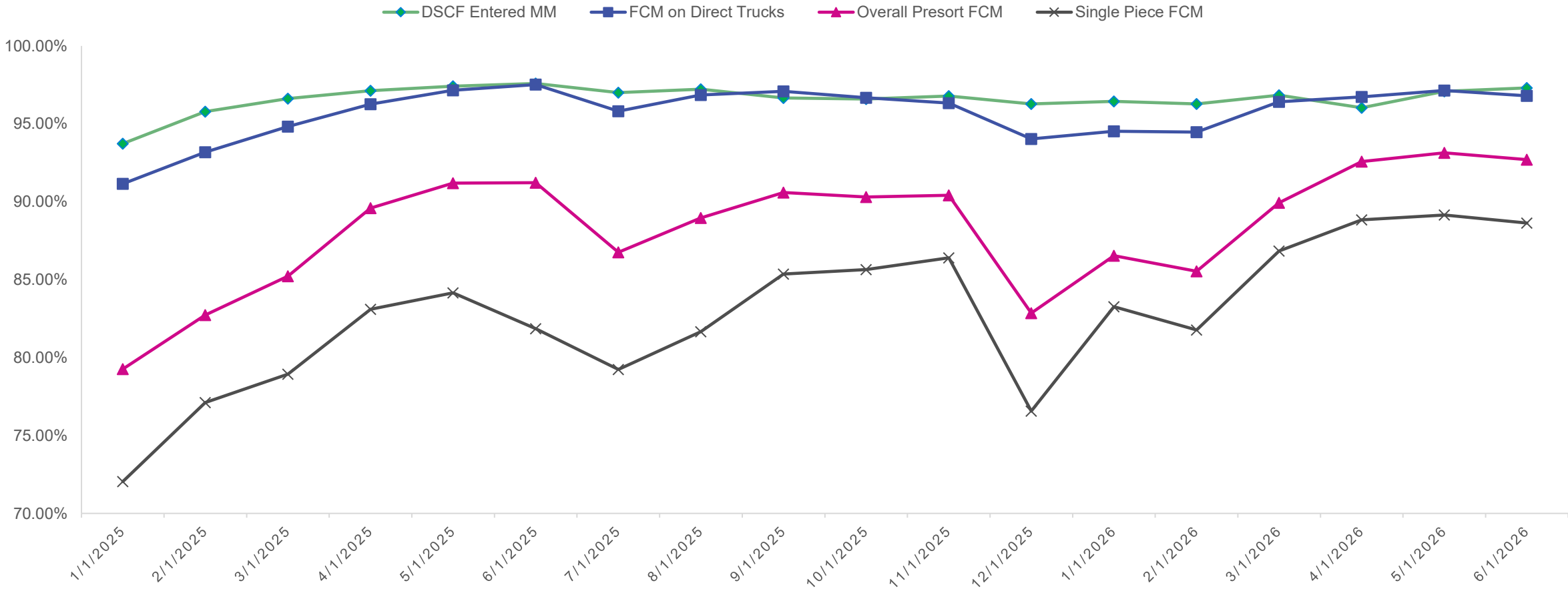
Complex Evolving Network

Full End to End Network | Drop Ship on MM and Direct Full Trailers on FCM avoid multiple steps improving Service Performance



Mailing Performance Trend – Induction Method Variations

MAIL PERFORMANCE TREND



	25-Jan	25-Feb	25-Mar	25-Apr	25-May	25-Jun	25-Jul	25-Aug	25-Sep	25-Oct	25-Nov	25-Dec	26-Jan	26-Feb	26-Mar	26-Apr	26-May	26-Jun
DSCF Entered MM	93.73%	95.78%	96.62%	97.13%	97.41%	97.59%	97.00%	97.23%	96.66%	96.60%	96.79%	96.28%	96.44%	96.28%	96.84%	96.03%	97.09%	97.30%
FCM on Direct Trucks	91.15%	93.18%	94.83%	96.27%	97.16%	97.52%	95.81%	96.85%	97.09%	96.68%	96.33%	94.03%	94.53%	94.47%	96.41%	96.73%	97.14%	96.80%
Overall Presort FCM	79.26%	82.73%	85.23%	89.60%	91.19%	91.22%	86.76%	88.97%	90.60%	90.30%	90.41%	82.85%	86.54%	85.54%	89.93%	92.58%	93.14%	92.70%
Single Piece FCM	72.04%	77.12%	78.94%	83.10%	84.15%	81.86%	79.24%	81.66%	85.36%	85.65%	86.40%	76.56%	83.26%	81.77%	86.84%	88.84%	89.15%	88.63%

SUMMARY

Key Takeaways



Costs keep rising

USPS rate increases are structural and compounding — expect 4–7% cycles through at least 2029.



Commingle offsets it

Deeper qualification through commingling can offset a meaningful share of each rate increase.



Visibility is built in

Comminglers partner with industry leaders in Tracking and Visibility Platforms



Performance is proven

Commingle outperforms Single Piece and Less than finest sorted mail, highly dense Mail Induction outperforms average on time scores by 6-7%.



Security is comprehensive

Physical, IT, transportation, and personnel controls protect every piece, every step. The competitiveness in the market demands it.

Thank you!