

Canada Post segment reports \$135-million loss before tax in third quarter

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Canada Post recorded a loss before tax of \$135 million in the third quarter of 2019, as ongoing declines in mail volumes were only partially offset by Parcels volume growth.

The segment's loss before tax in the third quarter, which ended Sept. 28, was \$40 million worse than the same period a year earlier. For the first three quarters of 2019, the Corporation recorded a loss before tax of \$162 million. The year-to-date loss before tax is an improvement of \$108 million over the same period in 2018, which included significant one-time costs related to pay equity for Rural and Suburban Mail Carriers.

Canada Post revenues totalled approximately \$1.5 billion in the third quarter, a decrease of \$44 million or 2.8 per cent compared to the third quarter of 2018. Year to date, revenues totalled approximately \$4.8 billion, a decline of \$71 million or 0.91 per cent compared to the first three quarters of last year.

Parcels results

Canada Post remains the leading e-commerce delivery company in Canada. For the third quarter of 2019, Parcels volumes increased by 4 million pieces or 6.1 per cent and revenue increased by \$22

million or 3.9 per cent, compared to the same quarter last year. For Domestic Parcels, the largest product category, volumes increased by 3 million pieces or 6.9 per cent in the third quarter and revenue increased by \$18 million or 4.2 per cent, compared to the same period last year. For the first three quarters of 2019, total Parcels volumes increased by 11 million pieces or 5.8 per cent and revenue increased by \$73 million or 4.7 per cent, compared to the same period in 2018. The Corporation is preparing to deliver tens of millions of parcels during the holidays, e-commerce's busiest season.

Transaction Mail results

Transaction Mail is mostly letters, bills and statements. In the third quarter of 2019, Transaction Mail volumes fell by 80 million pieces or 11.3 per cent and revenue decreased by \$49 million or 7.5 per cent, compared to the same period in 2018. For Domestic Lettermail™, the largest product category, volumes in the third quarter decreased by 76 million pieces, also a decline of 11.3 per cent, and revenue

decreased by \$47 million or 7.7 per cent, compared to the third quarter of 2018. While revenue and volume declines continue due to the use of digital alternatives, the rates of decline so far in 2019 are partially explained by higher revenue and volumes in the first three quarters of 2018 due to provincial and municipal elections. For the first three quarters of 2019, Transaction Mail volumes fell by 203 million pieces or 8.3 per cent and revenue decreased by \$96 million or four per cent, compared to the same period a year earlier. The rate of decline in mail volumes for the full year is expected to improve in the fourth quarter because of additional volumes from the federal election.

Direct Marketing results

Direct Marketing volumes decreased by 32 million pieces or 2.9 per cent in the third quarter, compared to the same period a year earlier, while revenue decreased by \$14 million or 5.4 per cent. For the first three quarters of 2019, Direct Marketing volumes fell by 175 million pieces or 4.5 per cent and

revenue decreased by \$42 million or 4.6 per cent, compared to the first three quarters last year.

Group of Companies results

The Canada Post Group of Companies² reported a loss before tax of \$87 million for the third quarter of 2019, which was \$38 million larger than a loss before tax of \$49 million³ in the same quarter in 2018. For the first three quarters of 2019, the Group of Companies recorded a loss before tax of \$37 million, an improvement of \$109 million compared to the same period in 2018. The losses for the third quarter and year to date are due to losses in the Canada Post segment. The Purolator segment recorded a profit before tax of \$41 million in the third quarter of 2019, consistent with a profit before tax of \$41 million in the same period a year earlier. For the first three quarters of 2019, Purolator's profit before tax was \$105 million, compared to a profit before tax of \$107 million for the same period in 2018.

Source: [Canada Post](#)