International Post Corporation

International Distribution Services Limited Q3 trading update

05-02-2026

International Distribution Services (â€œIDSâ€□) is today providing an update for the three months to the end of December 2025. Royal Mail and GLS delivered a solid performance, with parcel volume and revenue growth, despite ongoing macroeconomic and cost pressures which are expected to increase in 2026.

Financial highlights:

- Continued parcel volume and revenue growth in the third quarter of 2025/26 year-on-year.
- Royal Mail parcel volumes grew 8% with revenue increasing 4.2%.
- GLS parcel volumes grew 9% with revenue increasing 8.7%.
- Addressed letter volume1 declined 9% in the third quarter, in line with the historic trend, with volume decline largely offset by price.
- Cost pressures at Royal Mail increasing, including National Insurance contributions of c.£120 million for 2025/26, costs associated with delays deploying
- Universal Service changes and three-year pay deals with the Communication Workers Union (CWU) and Unite CMA.
- Cost mitigation measures in place, such as improved productivity through automation and reduction in discretionary spend.

Operational highlights:

Royal Mail

- Delivered Christmas for customers with over 99% of items posted by the recommended dates arriving on time for the third consecutive year.
- Biggest ever Christmas for out of home volumes with almost 8 million more parcels going through parcel points during peak season compared to the previous year2.
- 80% increase in the number of lockers and shops compared to December 20243 with c.3,000 parcel lockers and almost 8,000 Royal Mail Shops, reinforcing Royal Mail’s position as the UK’s largest multi-channel parcel network with over 25,000 parcel points.
- On 29 January, Royal Mail moved discussions with the CWU regarding deployment of Universal Service reform into its established Achieving National Agreement Procedure. This provides a framework to have focused discussions so an agreement can be reached as quickly as possible. Moving ahead with reform will deliver long-term success for the business and our colleagues and

improved quality of service for our customers.

GLS

- Delivered biggest ever peak season4 with total volumes increasing more than 10%, year-on-year. Czech Republic, Romania and Spain delivered particularly high-volume growth.
- Out of home volumes grew 43% to almost 32 million parcels during peak season5 compared to the previous year, with nearly 30% of all B2C parcels delivered or collected through out of home channels5. The out of home network grew 25% year-on-year to 130,000 parcel points, including partner locations3.
- International volumes increased 12% year-on-year4, driven by significant growth in Spain and Hungary, in addition to a solid performance in Germany, GLS' largest export market.
- Macroeconomic and regulatory environment in Italy remains challenging, with recent regulatory changes in Germany and Belgium adding further complexity to operations.

Martin Seidenberg, Group Chief Executive Officer at IDS, said:

"We delivered a strong and successful Christmas period across Royal Mail and GLS. We have seen record volumes flowing through our established networks, as well as in our rapidly expanding locker and shop networks. I would like to thank my colleagues across our companies for their tireless work delivering for customers over Christmas.

"The macroeconomic environment remains challenging, cost pressures are increasing and competition is growing. This underlines the need for expansion in our out of home networks and further transformation at Royal Mail, including deployment of Universal Service reform."

Paul Ablin was appointed Interim Group Chief Financial Officer of International Distribution Services, effective from 1 January 2026. He assumes this position in addition to his existing responsibilities as Chief Financial Officer of Royal Mail.

Source: International Distribution Services

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