International Post Corporation

Canada Post reports $107-million loss before tax in the first quarter

26-05-2023

Canada Post recorded a loss before tax of $107 million in the first quarter of 2023 as Parcels revenue was relatively flat and Transaction Mail and Direct Marketing revenue declined.

The Canada Post segment's loss before tax in the first quarter improved by $22 million compared to a loss before tax of $129 million in the same period of 2022. Revenue fell by $32 million, or 1.7 per cent, compared to the same period of 2022. Parcels revenue was relatively flat as volumes declined slightly from the same period of the prior year. Direct Marketing revenue and volumes fell as businesses continued to pull back on marketing. Transaction Mail revenue and volumes continued to erode.

In the first quarter of 2023, the cost of operations fell by $34 million, or 1.7 per cent compared to the same period of 2022. This was largely due to lower employee benefits which were partly offset by higher non-capital investment costs.

With Parcels representing approximately half of Canada Post's revenue, the Corporation is investing to better position itself in a competitive market and ensure the postal service continues to be a valued delivery partner. The Corporation is making significant strategic investments to improve service and tracking, enable its network, increase capacity and enhance the customer experience.

Parcels

In the first quarter, Parcels revenue increased by 0.2 per cent, or $1 million compared to the same period a year earlier, as volumes fell by 7.6 per cent, or five million pieces. The competitive landscape continued to have an impact on the Parcels business as low-cost new entrants and rate-shopping platforms have disrupted the package delivery sector. A softer ecommerce market related to lower consumer spending also affected volumes.

Transaction Mail

Transaction Mail revenue fell by 2.7 per cent, or $18 million, compared to the first quarter of 2022, as volumes declined by 3.4 per cent, or 23 million pieces. Consumers and mailers continued to shift to digital channels. The Corporation maintained regulated stamp prices at 2020 levels, which also negatively affected revenue in the quarter.

Direct Marketing

In the first quarter, Direct Marketing revenue declined by 4.5 per cent, or $11 million, as volumes decreased by 5.5 per cent, or 52 million pieces. General economic uncertainty continued to impact volumes and revenue as businesses pulled back on marketing.

Group of Companies

The Canada Post Group of Companies1 recorded a loss before tax of $58 million in the first quarter of 2023, compared to a loss before tax of $100 million in the same period a year earlier. Purolator's profit before tax of $46 million in the quarter increased from $28 million in the same quarter of the prior year. SCI's first-quarter profit before tax of $3 million rose from $2 million compared to the same period of the previous year.

Background

The Canada Post Group of Companies' operations are funded by revenue generated by the sale of its products and services, not taxpayer dollars.

The Canada Post Group of Companies consists of the core Canada Post segment and its three non-wholly owned subsidiaries, Purolator Holdings Ltd., SCI Group Inc. and Innovapost Inc.

Source: Canada Post

CLASSIFICATION: CORPORATE | WWW.IPC.BE © 2026