

Canada Post segment reports 70-m-profit-before-tax-in-first-quarter

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The Canada Post segment's \$70 million profit before tax for the first quarter, ended March 31, 2018, compares to a profit before tax of \$50 million in the first quarter of 2017.¹

Parcels results

In the first quarter, Canada Post – the country's No. 1 parcel company – grew Parcels revenue by \$110 million¹ or 24.6 per cent,¹ while volumes increased by 17 million pieces or 33.0 per cent² compared to the same period in 2017. Domestic Parcels, the largest product category, continued to grow strongly, as revenue increased by \$76 million¹ or 23.6 per cent^{1,2} and volumes grew by six million pieces or 17.3 per cent.² The growth in Parcels volumes was driven by strong performance from major commercial customers and by Canada Post's solid delivery performance as consumers order more products online.

Transaction Mail results

Transaction Mail is mostly letters, bills and statements. In the first quarter of 2018, Transaction Mail revenue decreased by \$46

million¹ or 4.1 per cent^{1,2} while volumes decreased by 50 million pieces or 4.0 per cent² compared to the same period in 2017. For Domestic Lettermail, the largest product category, revenue decreased by \$24 million¹ or 1.6 per cent^{1,2} and volumes decreased by 34 million pieces or 2.4 per cent.² The ongoing decline in mail volumes is due to the growing use of digital alternatives by consumers and businesses. It is one of the most significant challenges facing the Corporation.

Direct Marketing results

In the first quarter of 2018, Direct Marketing revenue decreased by \$3 million,¹ which is an increase of 0.5 per cent¹ when adjusted for trading days, while volumes fell by 23 million pieces or 0.5 per cent² compared to the same period in 2017. Revenue for Neighbourhood MailTM, the largest volume product category, remained constant while volumes decreased slightly, by seven million pieces compared to the same period in 2017.

Group of Companies results

The Canada Post Group of Companies³ reported a profit before tax of \$96million, compared to a profit before tax of \$68million¹ in the same period in 2017. The Group of Companies' positive first-quarter results were primarily driven by positive results in the Canada Post segment, which

were largely due to parcel growth. The Purolator segment's profit before tax was \$21 million for the first quarter of 2018,

compared to a profit before tax of \$14 million in the first quarter of 2017.¹

Source: [Canada Post](#)

