

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

28-05-2018

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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.<sup>1</sup>

### Parcels results

In the first quarter, Canada Post – the country's No. 1 parcel company – grew Parcels revenue by \$110 million<sup>1</sup> or 24.6 per cent,<sup>1</sup> while volumes increased by 17 million pieces or 33.0 per cent<sup>2</sup> compared to the same period in 2017. Domestic Parcels, the largest product category, continued to grow strongly, as revenue increased by \$76 million<sup>1</sup> or 23.6 per cent<sup>1,2</sup> and volumes grew by six million pieces or 17.3 per cent.<sup>2</sup> 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

million<sup>1</sup> or 4.1 per cent<sup>1,2</sup> while volumes decreased by 50 million pieces or 4.0 per cent<sup>2</sup> compared to the same period in 2017. For Domestic Lettermail, the largest product category, revenue decreased by \$24 million<sup>1</sup> or 1.6 per cent<sup>1,2</sup> and volumes decreased by 34 million pieces or 2.4 per cent.<sup>2</sup> 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,<sup>1</sup> which is an increase of 0.5 per cent<sup>1</sup> when adjusted for trading days, while volumes fell by 23 million pieces or 0.5 per cent<sup>2</sup> compared to the same period in 2017. Revenue for Neighbourhood Mail<sup>TM</sup>, 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 Companies<sup>3</sup> reported a profit before tax of \$96million, compared to a profit before tax of \$68million<sup>1</sup> 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.<sup>1</sup>

Source: [Canada Post](#)

