# Canada Post Corporation

## Summary of the Amendment to the 2025 Operating and Capital Budgets

# Disclaimer

This document is being submitted in accordance with section 125 of the *Financial Administration Act* and summarizes the Amendment to the 2025 Operating and Capital Budgets as approved by Canada Post's Board of Directors on May 22, 2025.

The assumptions, projections and other forward-looking statements included in this document are made only as of early 2025 and do not include the impact of subsequent events. The financials do, however, include the implementation of measures currently underway to improve Canada Post's financial viability, including efforts to stabilize the business and reduce investments to minimize cash outflows.

Finally, the impacts of the Canadian Union of Postal Workers' strike notice that was issued on May 19, 2025, and the subsequent labour actions taken as a result are not reflected herein, as those developments had not yet materialized at the time of writing and are still ongoing at the time of filing. Similarly, while the Industrial Inquiry Commission report was released on May 15, 2025, the potential impacts of its release had not yet materialized at the time of writing, and as a result are not reflected in this Amendment.

Where known, the impact of these developments will be reflected in the Corporation's 2026-2030 Corporate Plan and 2026 Operating and Capital Budgets.

# AMENDMENT SUMMARY

## Canada Post Corporation – 2025 Operating and Capital Budgets

### Context

Consistent with the requirements of the *Financial Administration Act*, in 2024 Canada Post Corporation filed its five-year Corporate Plan for the period of 2025 to 2029 and 2025 operating and capital budgets with the Minister of Public Services and Procurement, in their role as Minister responsible for Canada Post.

After filing its 2025 to 2029 Corporate Plan ("Plan"), Canada Post's financial results for 2024 ended worse than the Plan filed. This deterioration is due in large part to the 32-day national strike by the Canadian Union of Postal Workers (CUPW) in late 2024, which occurred during Canada Post's peak holiday season and had a significant financial impact on Canada Post in 2024, and caused subsequent post-strike impacts on its 2025 outlook. Canada Post's financial outlook for 2025 is now significantly worse than reported in the Plan. It is now forecasted that the Canada Post segment's loss before tax will be $1.493 billion, or $682 million worse than the 2025 Plan. Canada Post's loss from operations is forecasted to be $1.525 billion, or $574 million worse than the 2025 Plan.

Canada Post's operating and capital budgets have been adjusted in response to the changes in the Corporation's financial outlook. As a result, Canada Post filed an amendment to its 2025 operating and capital budgets for Treasury Board approval. The amendment reflects the following changes:

- Finalized financials for 2024; and
- An updated forecast for 2025.

It should be noted that only the 2025 forecast has been updated, and no updated assumptions or flow-through impacts for the remaining years of the planning period (2026 to 2029) are reflected in this amendment. This is due to the fact that several significant uncertainties are impacting Canada Post's forecasts beyond 2025. These include:

- The risk and possibility of a labour disruption as early as May 2025;
- Canada Post's ability to recover Parcel volumes;
- Potential changes stemming from the Industrial Inquiry Commission (IIC) report; and
- Potential changes to the Canadian Postal Service Charter.

Canada Post's business activities, strategies, risks, and non-financial metrics remain unchanged from the Plan as filed in October 2024, and as a result, are not included in this amendment.

It is important to highlight that Canada Post believes it currently has sufficient cash resources (including current cash balances, government cash injections of up to $1.034

billion, and credit facilities for emergency purposes of up to $600 million) to meet all financial obligations up to March 31, 2026.

Canada Post will soon begin preparing its 2026 to 2030 Plan, giving Canada Post an opportunity to provide the government with an updated five-year forecast using refreshed data. Canada Post has an obligation to file the plan with the Minister responsible by November 5, 2025.

## Financial overview

### 1. 2025 financial outlook compared to 2025 Plan

The Canada Post segment's loss before tax is projected to be $1.493 billion, or $682 million worse than the 2025 Plan. Canada Post's loss from operations is forecasted to be $1.525 billion, or $574 million worse than the 2025 Plan. This includes significant post-strike impacts, specifically for Parcels. While Canada Post expects some volume-related cost savings, mostly by using fewer temporary employees and less overtime, Canada Post's current operating model is inflexible and does not allow the company to reduce fixed labour costs at the same pace as lost volumes. While Canada Post's labour costs were lower during the work stoppage, those costs will resume in 2025 now that CUPW employees have returned to work. Since collective agreements with CUPW were not reached in 2024, Canada Post did not incur the anticipated agreement costs included in its 2024 forecast. Canada Post is hopeful it can successfully negotiate new collective agreements in 2025 and has included the associated costs in its 2025 financial outlook.

In addition to the larger operating losses, Canada Post's outlook includes a reporting change for the impact of the Government of Canada's $1.034-billion cash injection for the 2025-26 government fiscal year. The reporting of the non-interest-bearing repayable government funding is still being studied and therefore subject to change. For amendment reporting purposes, the repayable funding has been classified as short-term, as opposed to long-term, in our 2025 Plan. As a result, nominal interest expense offsets the cash injection income (categorized as a grant) that is recognized in 2025. There is, therefore, no impact on earnings, which are $122 million worse than our 2025 Plan.

a. The 2024 labour disruption's impact on Canada Post's 2024 financial results and 2025 outlook

***Background***

CUPW is Canada Post's largest bargaining agent, representing employees in various functions, including mail processing and delivery. As a result, strike actions by CUPW significantly curtail Canada Post's ability to process and deliver mail and parcels.

On October 25, 2024, CUPW announced it had received a strike mandate from members of the Urban and Rural and Suburban Mail Carriers (RSMC) bargaining units. On

November 12, Canada Post received notice that both bargaining units would begin strike action on November 15. The 32-day labour disruption halted Canada Post's operations during peak holiday season, and had a significant financial impact on Canada Post, and caused subsequent post-strike impacts.

On December 13, the Minister of Labour asked the Canada Industrial Relations Board (CIRB) to determine if collective agreements could still be reached by December 31, 2024, in renewed talks. This led to the CIRB confirming the stalemate and ordering employees to return to work on December 17, 2024. Collective agreements were extended until May 22, 2025.

The possibility of another labour disruption as of May 23, 2025, contributes to ongoing business uncertainty for Canada Post. Where known, the impacts of any future labour developments will be reflected in the next Corporate Plan (2026-2030).

In addition, the Minister established an Industrial Inquiry Commission (IIC) in December. Led by Commissioner William Kaplan, the IIC was directed to examine the key issues in the collective bargaining dispute, and more specifically:

- Canada Post's financial situation;
- The company's need to diversify or alter its delivery models in response to current business demands;
- Canada Post's viability as it is currently configured;
- The union's negotiated commitments to job security and full-time employment; and
- The need to protect the health and safety of employees.

The Commissioner's report and recommendations will be submitted to the Minister of Labour by May 15, 2025. Canada Post is currently awaiting the outcome of the IIC report and navigating the uncertainties presented by another potential labour disruption.

***Impact to 2024 financial results***

The labour disruption in the fourth quarter – during peak season – impacted Canada Post's 2024 financial results. While costs fell sharply during the strike, the impact on revenue was substantially larger. Canada Post estimates that the disruption contributed a net negative Earnings Before Tax (EBT) impact of $208 million, driven mostly by $693 million in revenue declines, which were partly offset by $486 million of lower operating costs. 2024 Parcels revenue and volumes declined sharply due to the strike, with both falling by 20 per cent when compared to 2023, and 16 per cent versus the 2024 forecast.

***Impact to 2025 forecasts***

It is difficult for Canada Post to predict the magnitude of the future financial impact from the 2024 labour disruption. While a focused recovery plan is underway to stabilize the business, repair relationships and rebuild trust, our 2025 outlook includes significant

post-strike impacts, specifically for Parcels. Given that CUPW will again be in a position to strike as early as May 23, much uncertainty around the impact of future labour negotiations remains. In addition, some customers are hesitant to return to Canada Post due to the uncertainty around labour. Canada Post continues to pursue all efforts to win back customers, but the financial impacts of the strike remain.

***Impacts of 2024 actuals and 2025 forecast on cash***

Canada Post is actively managing its cash flow situation, and will only utilize its credit facilities in urgent situations when existing cash and government cash injections are insufficient.

As noted above, given the impact to the 2025 forecasts, the financial statements have been adjusted, as detailed in Appendix A.

## Key changes to operating and capital budgets

Canada Post's operating and capital budgets have been adjusted in response to the changes in the Corporation's financial outlook.

**2025 Amended Operating Budget**
**Canada Post Segment - Income Statement**

| (in millions of Canadian dollars) | 2025 Amended Plan | 2025 Plan | Better/(Worse) $ | Better/(Worse) % |
|---|---|---|---|---|
| Revenue from operations | 6,570 | 7,252 | (683) | (9.4)% |
| Cost of operations | | | | |
| Labour | 4,195 | 4,203 | 8 | |
| Employee benefits | 1,161 | 1,167 | 6 | |
| Other operating costs | 2,364 | 2,450 | 86 | |
| Depreciation and amortization | 375 | 383 | 8 | |
| Total cost of operations | 8,095 | 8,204 | 109 | 1.3% |
| **Profit (loss) from operations** | **(1,525)** | **(951)** | **(574)** | |
| Investing and financing income (expense), net | 33 | 18 | 15 | |
| Profit (loss) before tax (before any cash injections) | (1,493) | (933) | (559) | |
| Income impact of cash injections | - | 122 | (122) | |
| Profit (loss) before tax (after any cash injections) | (1,493) | (811) | (682) | |
| Tax expense (recovery) | (393) | (221) | 172 | |
| **Net profit (loss)** | **(1,100)** | **(590)** | **(509)** | |
| Other comprehensive income (loss) | (1,410) | (1,410) | - | |
| Comprehensive income (loss) | (2,509) | (2,000) | (509) | |

May not add due to rounding

The Canada Post segment is projecting a loss before tax of $1,493 million for 2025, which is $682 million worse compared to the 2025 Plan loss of $811 million. The $682 million decrease versus Plan is mainly due to revenue declines from significant post-strike impacts, specifically for Parcels. The $109 million improvement in cost of operation ($8.095 billion versus the 2025 Plan of $8.204 billion) is mostly due to volume related cost savings as well as a $2 million reduction in investment operating costs.

Additionally, the income impact of cash injections has decreased by $122 million due to the reporting of the non-interest-bearing repayable government funding which, at the

time of this amendment, is under review. Nominal interest expense offsets the cash injection income, resulting in no impact on earnings.

**2025 Amended Operating Budget**
**Canada Post Corporation Consolidated Income Statement**

| (in millions of Canadian dollars) | 2025 Amended Plan | 2025 Plan | Better/(Worse) $ | Better/(Worse) % |
|---|---|---|---|---|
| Revenue from operations | 9,753 | 10,066 | (313) | (3.1)% |
| Cost of operations | | | | |
| Labour | 5,353 | 5,250 | (103) | |
| Employee benefits | 1,488 | 1,447 | (40) | |
| Other operating costs | 3,553 | 3,498 | (55) | |
| Depreciation and amortization | 625 | 532 | (93) | |
| Total cost of operations | 11,019 | 10,727 | (292) | (2.7)% |
| **Profit (loss) from operations** | **(1,265)** | **(661)** | **(605)** | |
| Investing and financing income (expense), net | (101) | (63) | (38) | |
| Profit (loss) before tax (before any cash injections) | (1,366) | (723) | (643) | |
| Income impact of cash injections | - | 122 | (122) | |
| Profit (loss) before tax (after any cash injections) | (1,366) | (601) | (766) | |
| Tax expense (recovery) | (337) | (144) | 192 | |
| **Net profit (loss)** | **(1,030)** | **(456)** | **(573)** | |
| Other comprehensive income (loss) | (1,398) | (1,398) | - | |
| Comprehensive income (loss) | (2,428) | (1,855) | (573) | |

May not add due to rounding

The Group of Companies is projecting a loss before tax of $1,366 million for 2025, which is $766 million worse compared to the 2025 Plan loss of $601 million. The decline is primarily due to the Canada Post segment, as detailed above.

The Corporation's total investments are forecasted to be $82 million lower ($430 million versus $512 million) than the 2025 Plan. As noted in the operating budget, the investment operating budget has decreased by $2 million ($210 million versus $212 million) and the capital budget has decreased by $80 million ($220 million versus $300 million) with asset replenishment and obsolescence representing the majority of the capital expenditures. While certain investments have been reduced, this does not have a material impact on Canada Post operations. Instead, the reductions are a part of Canada Post's continued efforts to minimize cash outflows by extending the life of

assets, eliminating projects that were not deemed essential, or deferring projects as necessary.

Canada Post has prioritized investments with a focus on replacing only those operational assets that are necessary to remain competitive, improve efficiencies, meet customer service requirements, and address our environmental leadership and social purpose mandate. In addition, some costs related to implementing new collective agreements were delayed because collective agreements with CUPW were not reached in 2024.

**2025 Amended Capital Plan**

| ($millions) | | 2025 Amended Plan | 2025 Plan | Increase / (Decrease) |
|---|---|---|---|---|
| **STRATEGIC PILLARS**<br>*Initiatives to provide a high-quality postal service at a reasonable price and to do so in a manner that is financially prudent and environmentally and socially responsible. Investments are categorized based on their primary pillar; however, many will achieve goals across multiple pillars.*<br>*Timing and breadth of our strategic and transformational investments were reviewed, with several initiatives being deferred or paused due to our financial situation, resulting in a significant decrease in our strategic investments.* | | **40** | **65** | **(25)** |
| Doing right by our people | Investments to keep our customers and employees safe, and to ensure our workforce and culture reflect Canada and the priorities of Canadians. | | | |
| Providing a service all Canadians can count on | Initiatives to expand our network capacity, improve service and tracking, enhance our retail services, and help Canada stay connected and businesses succeed. | | | |
| Committed to social and environmental leadership | Investments to demonstrate environmental leadership, ensure our workplace reflects equity, diversity and inclusion, and foster reconciliation with Indigenous Peoples. | | | |
| **INFRASTRUCTURE AND OTHER**<br>*Initiatives that focus on the replacement of operational assets (e.g., vehicles, street furniture) and other operational equipment. Includes investment to maintain/upgrade facilities and systems, including back-office activities.* | | **180** | **235** | **(55)** |
| Asset replenishment | Investment to maintain our current sortation and delivery capacity. This includes replacement of operational assets such as vehicles and street furniture, and investment to maintain/upgrade facilities and systems. | | | |
| Corporate back office | Investment supporting administrative areas and support roles, including processing and compliance activities, ERP and other central IT systems. | | | |
| **Canada Post segment** | | **220** | **300** | **(80)** |

## Revised financial statements

The impact of the factors listed above is reflected in the financial statements attached (Appendix A) that form part of this amendment to the 2025 operating and capital budgets.

# Appendix A: Updated Financial Statements

Canada Post Corporation
Pro Forma Consolidated Statement of Financial Position

| As at December 31 (in millions of Canadian dollars) | 2024 Actual | 2025 Amended Plan | Submitted Corporate Plan (2026-29) 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| **Current assets** | | | | | | |
| Cash and cash equivalents | 802 | 401 | 630 | 652 | 732 | 839 |
| Marketable securities | 290 | - | - | - | - | - |
| Trade, other receivables and contract assets | 900 | 1,176 | 1,036 | 1,053 | 1,078 | 1,094 |
| Income tax receivable | 2 | 0 | 2 | 2 | 2 | 2 |
| Other assets | 139 | 182 | 140 | 143 | 145 | 148 |
| Total current assets | 2,133 | 1,759 | 1,808 | 1,849 | 1,957 | 2,083 |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | 4,053 | 4,212 | 4,603 | 4,742 | 4,844 | 4,932 |
| Intangible assets | 248 | 491 | 172 | 151 | 131 | 111 |
| Right-of-use assets | 1,451 | 1,540 | 1,464 | 1,452 | 1,441 | 1,458 |
| Segregated securities | 337 | 308 | 280 | 247 | 211 | 172 |
| Pension benefit assets | 4,462 | 2,353 | 1,287 | 1,730 | 2,212 | 2,735 |
| Deferred tax assets | - | 795 | 1,040 | 1,257 | 1,495 | 1,766 |
| Goodwill | 161 | 807 | 162 | 162 | 162 | 162 |
| Other assets | 61 | 61 | 52 | 51 | 49 | 47 |
| Total non-current assets | 10,773 | 10,567 | 9,060 | 9,792 | 10,545 | 11,383 |
| **Total assets** | **12,906** | **12,327** | **10,868** | **11,641** | **12,502** | **13,466** |
| **Current liabilities** | | | | | | |
| Trade and other payables | 830 | 1,336 | 965 | 982 | 1,000 | 1,021 |
| Salaries and benefits payable and related provisions | 537 | 466 | 595 | 614 | 644 | 654 |
| Provisions | 68 | 70 | 67 | 68 | 69 | 70 |
| Income tax payable | 30 | - | - | 5 | 15 | 23 |
| Deferred revenue | 200 | 192 | 147 | 147 | 148 | 148 |
| Loans and borrowings | 500 | 220 | - | - | - | - |
| Deferred grant income | | 21 | | | | |
| Government loan | - | 1,013 | 1,567 | 2,654 | 3,843 | 5,203 |
| Lease liabilities | 100 | 132 | 125 | 124 | 123 | 124 |
| Other long-term benefit liabilities | 54 | 53 | 58 | 58 | 59 | 60 |
| Total current liabilities | 2,319 | 3,503 | 3,523 | 4,654 | 5,901 | 7,303 |
| **Non-current liabilities** | | | | | | |
| Loans and borrowings | 498 | 1,035 | 499 | 499 | 499 | 499 |
| Lease liabilities | 1,567 | 1,659 | 1,615 | 1,629 | 1,645 | 1,687 |
| Pension, other post-employment and other long-term benefit liabilities | 3,229 | 3,350 | 3,119 | 3,168 | 3,218 | 3,269 |
| Deferred tax liabilities | 147 | 81 | 64 | 69 | 73 | 78 |
| Other liabilities | 46 | 49 | 49 | 51 | 53 | 53 |
| Total non-current liabilities | 5,487 | 6,174 | 5,346 | 5,415 | 5,488 | 5,586 |
| Total liabilities | 7,806 | 9,676 | 8,869 | 10,069 | 11,389 | 12,889 |
| **Equity** | | | | | | |
| Contributed capital | 1,155 | 1,155 | 1,155 | 1,155 | 1,155 | 1,155 |
| Accumulated other comprehensive income | 5 | 17 | 13 | 13 | 13 | 13 |
| Accumulated surplus (deficit) | 3,849 | 1,385 | 730 | 294 | (176) | (723) |
| Equity of Canada | 5,009 | 2,557 | 1,899 | 1,463 | 993 | 446 |
| Non-controlling interests | 91 | 94 | 100 | 110 | 120 | 132 |
| Total equity | 5,100 | 2,651 | 1,999 | 1,572 | 1,113 | 577 |
| **Total liabilities and equity** | **12,906** | **12,327** | **10,868** | **11,641** | **12,502** | **13,466** |

Numbers may not add due to rounding.

Canada Post Corporation
Pro Forma Consolidated Statement of Comprehensive Income

| For the year ended December 31 (in millions of Canadian dollars) | 2024 Actual | 2025 Amended Plan | Submitted Corporate Plan (2026-29) 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|
| Revenue from operations | 8,904 | 9,753 | 10,192 | 10,326 | 10,554 | 10,775 |
| **Cost of operations** | | | | | | |
| Labour | 4,764 | 5,353 | 5,387 | 5,558 | 5,687 | 5,839 |
| Employee benefits | 1,356 | 1,488 | 1,701 | 1,749 | 1,773 | 1,813 |
| | 6,120 | 6,841 | 7,088 | 7,307 | 7,459 | 7,652 |
| Other operating costs | 3,261 | 3,553 | 3,555 | 3,628 | 3,716 | 3,816 |
| Depreciation and amortization | 510 | 625 | 559 | 578 | 592 | 607 |
| Total cost of operations | 9,891 | 11,019 | 11,201 | 11,512 | 11,767 | 12,075 |
| **Profit (loss) from operations** | (987) | (1,265) | (1,009) | (1,186) | (1,214) | (1,300) |
| Investing and financing income (expense) | | | | | | |
| Investment and other income | 425 | 37 | 128 | 128 | 97 | 68 |
| Financing costs and other expense | (103) | (138) | (82) | (84) | (85) | (86) |
| Investing and financing income (expense), net | 322 | (101) | 47 | 44 | 12 | (18) |
| Profit (loss) before tax | (665) | (1,366) | (962) | (1,142) | (1,202) | (1,318) |
| Tax expense (recovery) | (246) | (337) | (234) | (278) | (293) | (321) |
| **Net profit (loss)** | **(419)** | **(1,030)** | **(728)** | **(864)** | **(909)** | **(997)** |
| **Other comprehensive income (loss)** | | | | | | |
| Items never reclassified to net profit (loss) | 953 | (1,398) | 431 | 445 | 458 | 471 |
| Items that may subsequently be reclassified to net profit (loss) | - | - | - | - | - | - |
| Other comprehensive income (loss) | 953 | (1,398) | 431 | 445 | 458 | 471 |
| **Comprehensive income (loss)** | **534** | **(2,428)** | **(297)** | **(419)** | **(451)** | **(526)** |
| **Net profit (loss) attributable to** | | | | | | |
| Government of Canada | (435) | (1,041) | (743) | (880) | (927) | (1,017) |
| Non-controlling interests | 16 | 11 | 15 | 16 | 18 | 20 |
| | (419) | (1,030) | (728) | (864) | (909) | (997) |
| **Comprehensive income (loss) attributable to** | | | | | | |
| Government of Canada | 513 | (2,440) | (313) | (436) | (470) | (547) |
| Non-controlling interests | 21 | 12 | 16 | 17 | 19 | 21 |
| | 534 | (2,428) | (297) | (419) | (451) | (526) |

Numbers may not add due to rounding.

Canada Post Corporation
Pro Forma Consolidated Statement of Cash Flows

| For the year ended December 31 (in millions of Canadian dollars) | 2024 Actual | 2025 Amended Plan | Submitted Corporate Plan (2026-29) 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | | |
| Net profit (loss) | (419) | (1,030) | (728) | (864) | (909) | (997) |
| Adjustments to reconcile net profit (loss) to cash provided by (used in) operating activities: | | | | | | |
| Depreciation and amortization | 510 | 625 | 559 | 578 | 592 | 607 |
| Pension, other post-employment and other long-term benefit expense | 604 | 564 | 795 | 792 | 782 | 774 |
| Pension, other post-employment and other long-term benefit payments | (217) | (222) | (571) | (591) | (602) | (616) |
| (Gain) loss on sale of capital assets and investments | 9 | (1) | (2) | - | - | - |
| (Gain) loss on dilution of subsidiary share capital | (346) | - | - | - | - | - |
| Tax expense (recovery) and other items affecting net income tax receivable | (244) | (337) | (234) | (278) | (293) | (321) |
| Net interest expense (income) | 16 | 122 | 133 | 178 | 227 | 284 |
| Change in non-cash operating working capital: | | | | | | |
| (Increase) decrease in trade and other receivables | 63 | 36 | (16) | (17) | (25) | (16) |
| Increase (decrease) in trade and other payables | 17 | 24 | 20 | 19 | 19 | 21 |
| Increase (decrease) in salaries and benefits payable and related provisions | (119) | (71) | 31 | 19 | 29 | 11 |
| Increase (decrease) in provisions | 6 | 1 | 1 | 1 | 1 | 1 |
| Net (increase) decrease in other non-cash operating working capital | (27) | (13) | (3) | (3) | (3) | (3) |
| Other income not affecting cash, net | (16) | (42) | (200) | (234) | (250) | (278) |
| Cash provided by (used in) operations before interest and tax | (163) | (343) | (215) | (400) | (432) | (533) |
| Interest received | 89 | 29 | 22 | 21 | 20 | 18 |
| Interest paid | (91) | (117) | (81) | (82) | (82) | (83) |
| Tax received (paid) | (59) | (91) | (76) | (78) | (84) | (94) |
| Cash provided by (used in) operating activities | (224) | (522) | (350) | (539) | (579) | (693) |
| **Cash flows from investing activities** | | | | | | |
| Net cash inflow (outflow) of securities | 91 | 290 | 31 | 33 | 36 | 39 |
| Proceeds on sale of subsidiary shares | 424 | | | | | |
| Government cash-injection | | 1,034 | 975 | 1,205 | 1,276 | 1,418 |
| Acquisition of capital assets | (588) | (575) | (612) | (574) | (549) | (549) |
| Proceeds from sale of capital assets | 1 | 2 | 3 | - | - | - |
| Other investing activities, net | 21 | (251) | 2 | 2 | 2 | 2 |
| Cash provided by (used in) investing activities | (52) | 499 | 398 | 667 | 766 | 910 |
| **Cash flows from financing activities** | | | | | | |
| Repayments of lease liabilities | (105) | (110) | (89) | (99) | (98) | (100) |
| Net cash inflow (outflow) of loans and borrowings | - | (262) | (8) | (8) | (8) | (9) |
| Dividend paid to non-controlling interests | (8) | (8) | - | - | - | - |
| Other financing activities, net | (2) | 2 | - | - | - | - |
| Cash provided by (used in) financing activities | (115) | (378) | (96) | (106) | (107) | (110) |
| **Net increase (decrease) in cash and cash equivalents** | **(391)** | **(401)** | **(48)** | **22** | **80** | **107** |
| Cash and cash equivalents, beginning of year | 1,185 | 802 | 678 | 630 | 652 | 732 |
| Effect of exchange rate changes on cash and cash equivalents | 8 | - | - | - | - | - |
| **Cash and cash equivalents, end of year** | **802** | **401** | **630** | **652** | **732** | **839** |

Numbers may not add due to rounding.

## Note on the consolidated financial statements

The above consolidated financial statements reflect that Purolator Holdings Ltd., a subsidiary of Canada Post Corporation, acquired (on January 31, 2025) 100 per cent of Livingston International, an international trade-services firm specializing in customs brokerage, global freight forwarding and trade consulting. The transaction was being finalized when the updated 2025 forecast was prepared, and the estimated impact has been reflected in the consolidated financial statements. It is important to note that this transaction does not directly impact any of the 2025 financial statements of the Canada Post segment.