

Royal Mail losing £1m a day, chairman says

Royal Mail is losing £1m a day, its chairman has revealed.

The business reported an adjusted operating loss of £92m between April and June – the first financial quarter.

Chairman Keith Williams blamed the slump on a decline in parcel volumes and a lack of progress in “delivering efficiencies”.

Mr Williams said: “The pandemic boom in parcel volumes bolstered by the delivery of (COVID-19) test kits and parcels is over.

“Royal Mail is currently losing £1m per day and the efficiency improvements which are needed for long-term success have stalled.”

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Royal Mail revenues fell by 11.5% to £1.88bn over the quarter, compared with the same period last year.

Revenues for Royal Mail Group, which also includes international arm GLS, fell 5.1% to £3bn.

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It comes a day after [more than 115,000 postal workers at Royal Mail voted to strike](#) over pay in what is expected to be the biggest industrial action in Britain this summer.

The strike was backed by 97.6% of those who voted, with a turnout of 77%.

'I am ready to talk about pay and change at any time'

Royal Mail chief executive Simon Thompson said the dispute has stopped Royal Mail from bringing in changes it needs to fulfil its £350m cost efficiency programme, adding that there "is now a risk worth £100m".

Mr Thompson said: "I am ready to talk about pay and change at any time. But it has to be both.

“When we previously spoke to the unions we said there needed to be an improvement in productivity, but it has not gone forwards but backwards.

“Without change this will continue, and obviously we do have concerns over the impact from yesterday’s CWU announcement.”

The business said other cost savings – such as infrastructure changes – are “on track”, but it noted that COVID-19 absences will continue to be a problem.

‘We can be a long-term success story’

Chairman Mr Williams said: “We can, however, be a long-term success story.

“We have advantages in scale and reach and a strong balance sheet and asset base which are the foundations for a successful future.

“We need to act now in moving to that future in the interests of all stakeholders, employing those advantages to the maximum.”