

Canada Post reports \$407-million loss before tax in second quarter

26-08-2025

Corporation reports its largest quarterly loss as parcel revenue and volumes fall 37 per cent due to labour uncertainty

Canada Post recorded a loss before tax of \$407 million in the second quarter of 2025 as Parcels results declined sharply due to labour uncertainty.

The second-quarter loss of \$407 million marked the Corporation's largest loss before tax in a single quarter, with profitability deteriorating by \$453 million compared to a profit before tax of \$46 million in the same period a year earlier. The segment's loss before tax in the first half of 2025 was \$448 million, compared to a loss before tax of \$30 million in the same period of the prior year. Over 50 per cent of year-to-date losses occurred in June, when labour uncertainty was at its peak.

During the second quarter, the company continued to operate without new collective agreements with its largest union, the Canadian Union of Postal Workers (CUPW). On May 23, CUPW initiated strike action by refusing to work overtime across the company, producing more uncertainty for Canada Post's customers following CUPW's 32-day national strike in late 2024. While

Transaction Mail improved in the second quarter largely due to one-time federal election mailings, Parcels results declined sharply as the strike activity and labour uncertainty drove customers to other carriers for their deliveries. Parcels revenue fell by nearly half a billion dollars in the first half of 2025.

In the second quarter and first half of 2025, Canada Post's overall revenue fell by \$145 million, or 7.3 per cent¹, and by \$103 million, or 1.5 per cent, respectively, compared to the same periods of the prior year. The Corporation continues to confront significant operational and structural challenges. Canada Post recently reported a 2024 loss before tax of \$841 million – its seventh consecutive annual loss – and is on track to post a larger loss in 2025. From 2018 to Q2 2025, the company lost more than \$4.2 billion before taxes, with cumulative losses from operations of over \$5 billion. The ongoing labour uncertainty has contributed significantly to the losses in 2024 and this year. Between July 21 and August 1, the Canada Industrial Relations Board (CIRB)

conducted a vote for CUPW-represented employees to decide on the Corporation's final offers for collective agreements. On August 1, the CIRB informed the parties that a majority of voting employees rejected Canada Post's offers to both the Urban and RSMC (Rural and Suburban Mail Carriers) bargaining units. This means negotiations between the parties remain unresolved, but it does not lessen the urgent need to modernize and protect this vital national service.

Canada Post recorded a loss from operations of \$396 million in the second quarter, deepening by \$ 127 million compared to a loss from operations of \$269 million in the same period a year earlier. In the first six months of 2025, the loss from operations was \$507 million, compared to \$ 490 million in the same period of the prior year. The loss from operations excludes any income gained from the 2024 divestitures of SCI Group Inc. and Innovapost Inc.

In the second quarter and the first six months of 2025, total operating costs declined by \$18 million, or 0.9 per cent, and \$86 million, or 0.7 per cent, respectively, compared to the same periods of the prior year. Lower parcel volumes led to a decline in collection, processing and delivery costs, and non-capital investments decreased as the company continued to refocus its investment priorities. Despite the lower parcel volumes, two fewer paid days in

year-to-date 2025, reduced management headcount and the CUPW-imposed overtime ban in late May, cost pressures from the labour structure and wage increases drove labour cost increases.

Parcels

In the second quarter of 2025, Parcels revenue fell by \$288 million, or 36.7 per cent, as volumes declined by 25 million pieces, or 36.5 per cent, compared to the same period of 2024. For the first six months of the year, Parcels revenue declined by \$482 million, or 29.6 per cent, as volumes fell by 43 million pieces, or 31.1 per cent, compared to the same period of the prior year. Volumes fell sharply after CUPW started strike activity (overtime ban) on May 23, 2025. Revenue fell significantly compared to the previous-year periods as the strike activity and general labour uncertainty impacted all channels (domestic, inbound and outbound) by driving parcel volumes to competitors that could offer delivery stability.

Transaction Mail

In the second quarter, Transaction Mail revenue increased by \$153 million, or 28.4 per cent, as volumes rose by 11 million pieces, or 3.5 per cent, compared to the same period a year earlier. While Transaction Mail continues to be in secular decline, the line of business benefitted from one-time federal election mailings in the second

quarter. The company's May 2024 and January 2025 regulated postage rate increases also helped improve the year-over-year revenue comparisons for the line of business. For the first half of 2025, Transaction Mail revenue increased by \$ 376 million, or 32.8 per cent, as volumes rose by 53 million pieces, or 6.2 per cent, compared to the same period of 2024.

Direct Marketing

In the second quarter, Direct Marketing revenue fell by \$23 million, or 7.5 per cent, as volumes declined by 175 million pieces, or 13.2 per cent, compared to the same period of the previous year. Labour uncertainty affected the line of business as customers sought to avoid the possibility of time-sensitive mailings getting trapped in the postal network. For the first half of the year, revenue fell by \$12 million, or 1.0 per cent, as volumes decreased by 106 million pieces, or 3.1 per cent, compared to the same period of 2024.

Group of Companies²

In the second quarter of 2025, the Canada Post Group of Companies recorded a loss before tax of \$325 million, compared to a loss before tax of \$135 million in the same period a year earlier. Purolator recorded a profit before tax of \$82 million in the second quarter, compared to a profit before tax of \$81 million in the same period of 2024.

In the first half of the year, the Group of Companies recorded a loss before tax of \$427 million compared to a loss before tax of \$29 million in the same period of the prior year. Purolator recorded a profit before tax of \$101 million in the first half of 2025, compared to a profit before tax of \$120 million in the prior-year period.

Year-over-year comparisons for the Group of Companies are affected by the divestitures of SCI and Innovapost in 2024, as well as Purolator's acquisition of Livingston International in the first quarter of 2025.

Background:

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

1. All percentages in this news release are calculated on values rounded to the nearest thousand. Percentages are also adjusted for differences in business and paid days between the comparison periods. In the second quarter of 2025, there was one less business day compared to the same period a year earlier, and no difference in paid days. For the first half of 2025, there were two fewer business days and two fewer paid days compared to the same period of 2024. Fewer business or paid days generally result in decreased revenue, volume and costs.

2. The Canada Post Group of Companies consists of the core Canada Post segment and its non-wholly owned subsidiary Purolator Holdings Ltd.

Source: [Canada Post](#)

