Canada Post reports $1.57 billion loss before tax for 2025

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Corporation proceeding with its transformation to build a modern postal system, improve service and return to financial self-sustainability

OTTAWA – Canada Post's financial situation deteriorated significantly in 2025 as labour uncertainty weighed on the business, and decades-old rules and frameworks continued to impede the company's modernization and its ability to compete. The severity of the Corporation's financial situation underscores the urgency to transform and meet the modern needs of the country.

The company's 2025 loss before tax of $1.57 billion widened by $728 million, or 86.7 percent1 compared to a loss before tax of $841 million in the prior year. It was the Corporation's largest loss before tax on record. Revenue for the year declined by $315 million, or 4.7 percent, compared to 2024, as parcel volumes fell sharply largely due to labour uncertainty throughout 2025.

Building on the federal government's decision to lift long-standing policy and regulatory restrictions, Canada Post is proceeding with transformative measures to return the company to financial sustainability and renew the postal service to meet the needs of Canadians and Canadian businesses in today's economy.

Record loss underscores the need to transform and move away from cash injections

Throughout 2025, Canada Post continued to operate without new collective agreements with its largest union, the Canadian Union of Postal Workers (CUPW). The labour uncertainty had a significant impact on the company as parcel delivery customers shifted their business to other carriers that could provide stability. In 2025, parcel volumes fell by 79 million pieces, or 32.6 per cent, compared to the prior year. Given the impact on customers, the lost parcel volumes will be challenging to win back – emphasizing the need to modernize Canada Post's services in a competitive market.

Transformation is also critical for the company to move away from taxpayer-funded cash injections. In 2025, the company received repayable government funding of $1.034 billion, which was intended to carry the Corporation through the government's fiscal year ending March 31, 2026. However, the funding was insufficient due to the severity of the Corporation's financial situation. In early 2026, the government approved up to $1.008 billion in additional repayable funding.

Parcels

Parcels revenue declined by $850 million, or 30.1 per cent, in 2025 as volumes fell by 79 million pieces, or 32.6 per cent, compared to 2024. Parcels revenue and volumes declined sharply due to the lasting impacts of the 2024 labour disruption, continued labour uncertainty through 2025, and decades-old restrictions that have limited the Corporation's ability to compete, particularly for the growing share of deliveries on weekends. The 2025 labour uncertainty caused many customers to secure longer-term contracts with other delivery providers offering more flexibility and stability.

Transaction Mail

Transaction Mail revenue rose by $564 million, or 26.2 per cent, in 2025 as volumes increased by 39 million pieces, or 2.4 per cent, compared to 2024. While Transaction Mail continues to be in secular decline, the line of business benefitted from a postage rate increase in January 2025, as well as a volume bump related to election mailings and a temporary surge following the national strike in the fourth quarter of 2024.

Direct Marketing

Direct Marketing revenue declined by $46 million, or 4.5 per cent, in 2025 as volumes fell by 417 million pieces, or 9.8 per cent, compared to the prior year. Revenue and volumes decreased due to labour uncertainty and labour disruptions, including a ban on the delivery of Canada Post Neighbourhood Mail™ items in the second half of 2025. Marketers also sought to avoid having their time-sensitive mailings trapped in the postal network.

Group of Companies

In 2025, the Canada Post Group of Companies2 recorded a loss before tax of $1.39 billion, expanding by $727 million, or 109.5 per cent, compared to a loss before tax of $665 million in the previous year. The Group of Companies' results deteriorated compared to the prior year largely due to the results of the Canada Post segment. The year-over-year comparisons are also affected by gains received from the divestitures of SCI Group Inc. and Innovapost Inc. in 2024.

Purolator Holdings Ltd. recorded a profit before tax of $256 million in 2025, declining by $38 million, or 12.9 per cent, compared to a profit before tax of $294 million in the prior year. The Purolator results deteriorated largely due to costs related to financing its acquisition of Livingston International in

January 2025.

Source: Canada Post