Canada Post records $277-million loss before tax in second quarter

28-08-2026

Labour stability supports early-stage Parcels recovery

OTTAWA – Canada Post recorded a loss before tax of $277 million in the second quarter of 2026, as labour stability supported customer confidence and an early-stage recovery of the Parcels business. Operating costs also declined, as the Corporation focused on improving core productivity.

The second quarter loss before tax improved by $130 million compared to a loss before tax of $407 million in the same period of the prior year, when the company was facing a prolonged period of labour uncertainty in negotiations with the Canadian Union of Postal Workers (CUPW). In June 2026, the parties ratified new collective agreements that will remain in place until January 31, 2029. Canada Post's loss before tax in the first half of 2026 was $482 million, compared to $448 million in the same period of the prior year.

Canada Post's second quarter revenue grew by $22 million, or 1.5 per cent,1 compared to the same period of the prior year. While Parcels revenue grew by 20.7 per cent in the second quarter, results for the Transaction Mail line of business declined compared to a strong quarter in 2025 largely due to election mailings. The Corporation's revenue for the first six months of the year fell by $159 million, or 7.0 per cent, compared to the same period of 2025. Lower labour and non-labour operating costs helped partially offset revenue declines in both periods.

The company remains focused on rebuilding customer trust, improving service reliability and growing parcel volumes. Canada Post will continue to strengthen its long-term financial sustainability while providing service to Canadians and businesses in all corners of the country.

Modernizing the business

The Corporation is engaging with communities across the country to convert 621,000 addresses from door delivery to secure community mailboxes in late 2026 and in 2027. In total, approximately four million addresses will be converted to community mailboxes over a multi-year period, with different areas transitioning each year. Canada Post's Delivery Accommodation Program will continue to be available, ensuring access for residential customers with functional limitations.

Canada Post continues to work closely with its bargaining agents and the Government of Canada on its modernization and will continue to engage with stakeholders. The company remains committed to ensuring access to affordable, reliable and high-quality postal services for Canadians in all communities – urban, rural and remote.

Enhancing core parcel delivery services and rebuilding the business

Building on the recent labour stability, the Corporation is working to improve core services and strengthen its position in the highly competitive parcel delivery market. As part of these efforts, Canada Post is expanding its home parcel pickup service; offering box-free, label-free returns with select online retailers; improving local next-day delivery service; offering strategic pricing discounts for businesses; and preparing to launch weekend parcel delivery in the Ottawa, Montréal and Toronto metropolitan areas later this year.

Parcels revenue starts to recover following labour resolution

The ratification of new collective agreements with CUPW in June 2026 increased customer confidence in the business, allowing the company to start rebuilding after a prolonged period of labour uncertainty. In the second quarter of 2026, Parcels revenue rose by $99 million, or 20.7 per cent, as volumes increased by 7 million pieces, or 15.6 per cent, compared to the same period of 2025. For the first six months of the year, Parcels revenue increased by $20 million, or 0.7 per cent, as volumes remained relatively flat, compared to the same period of the prior year.

Transaction Mail declines after non-recurring election mailings in prior year

In the second quarter, Transaction Mail revenue fell by $67 million, or 9.1 per cent, as volumes declined by 50 million pieces, or 9.2 per cent, compared to the same period a year earlier. For the first half of 2026, Transaction Mail revenue fell by $149 million, or 11.5 per cent, as volumes declined by 126 million pieces, or 12.6 per cent, compared to the same period of 2025. The results were affected by year-over-year comparisons to the first half of 2025, when volumes surged due to election mailings and a mail backlog following the labour disruption in late 2024. The line of business continues to be in secular decline as Canadians and businesses shift to digital channels.

Direct Marketing remains under pressure as recovery continues

In the second quarter, Direct Marketing revenue increased by $1 million, or 0.3 per cent, as volumes fell by 3 million pieces, or 0.2 per cent, compared to the same period of the

CLASSIFICATION: CORPORATE | WWW.IPC.BE © 2026

previous year. For the first half of the year, revenue fell by $23 million, or 6.9 per cent, as volumes decreased by 149 million pieces, or 9.1 per cent, compared to the same period of 2025. The results were affected by business and economic uncertainty, as well as competition from digital marketing channels.

Operating costs declined on labour efficiencies and lower operating expenses

In the second quarter and the first six months of 2026, total operating costs declined by $119 million, or 6.3 per cent, and $138 million, or 6.6 per cent, respectively, compared to the same periods of the prior year. Labour costs declined while employee benefit costs fell due to higher discount rates.

Canada Post continues to work to improve core productivity and increase efficiencies in operations while focusing on service. In the second quarter, the Corporation started realizing some cost efficiencies through increased staffing flexibility and more efficient workforce deployment; new vehicle sharing practices; the streamlining of letter mail operations; and other measures.

Canada Post Group of Companies

In the second quarter of 2026, the Canada Post Group of Companies recorded a loss before tax of $188 million, compared to a loss before tax of $325 million in the same period a year earlier. Purolator recorded a profit before tax of $88 million in the second quarter, compared to a profit before tax of $82 million in the same period of 2025.

In the first half of the year, the Group of Companies recorded a loss before tax of $439 million compared to a loss before tax of $427 million in the same period of the prior year. Purolator recorded a profit before tax of $111 million in the first half of 2026, compared to a profit before tax of $101 million in the prior-year period.

Source: Canada Post