Canada Post reports $841-million loss before tax for 2024

28-05-2025

Losses worsened by strike impact as the postal service requires urgent changes to address its financial sustainability and serve the needs of a changing Canada

Canada Post recorded a loss before tax of $841 million in 2024 – the seventh consecutive annual loss for the Corporation.

The significant challenges Canada Post has confronted in recent years continued to mount in 2024 and were escalated by a 32-day national strike. Key highlights from 2024 include:

- Canada Post's operating loss for the year was nearly $1.3 billion. The loss from operations excludes non-recurring gains and dividend income from the Corporation's divestitures of SCI Group Inc. and Innovapost Inc. in the first half of the year.
- Without the divestitures, Canada Post's $841-million loss before tax for 2024 would have been significantly larger.
- Since 2018, Canada Post has lost more than $3.8 billion before taxes.
- Letter mail continued to decline and the company's Parcels business remained under threat in a competitive delivery market.
- Outdated operating, regulatory and policy constraints continued to severely limit the company's ability to adapt to the changing needs of the country.
- The company's 2024 loss before tax widened by $93 million, or 12.4 per cent[1], compared to a $748-million loss before tax in 2023.
- Revenue for the year declined by $800 million, or 12.2 per cent, compared to 2023, falling across the Parcels, Transaction Mail and Direct Marketing lines of business.

Impact of 2024 national strike

The national strike by the Canadian Union of Postal Workers (CUPW) in the fourth quarter had a significant impact on the lines of business in 2024, with the largest impact on the Parcels business.

The Corporation estimates that the labour disruption contributed a net negative impact of $208 million toward Canada Post's $841-million loss before tax. Revenue fell much more than costs during the strike period.

Labour and benefits represented approximately 65 per cent of total operating costs in 2024.

A challenging labour disruption for employees and all Canadians

The national strike by CUPW in the fourth quarter of 2024 had a significant impact on the company, Canadian businesses, charities and the millions of Canadians who rely on the postal service. To reach agreements, Canada Post put forward proposals for a more flexible delivery model that would sustain the business, while increasing wages, enhancing leave entitlements, and protecting the defined benefit pension and job security provisions for current employees.

On November 15, 2024, CUPW launched a national strike during the peak holiday season that had a net negative impact of $208 million on the company's financial results – with broader consequences felt across the country. The prolonged uncertainty from the strike continues to affect the company. Many customers who turned to other carriers for their shipments have not yet returned to Canada Post – and that's expected to have a financial impact well into 2025 and beyond.

A postal service under threat

The Corporation's long-standing mandate is to deliver to all Canadians – living in urban, rural and remote areas – and to stand on its own financially, based on revenue generated from products and services, not taxpayer dollars. It's a user-pay model meant to keep the postal service attuned to the evolving expectations of Canadians. To do so, Canada Post must be able to change as the needs of the country change. However, the Corporation is rapidly falling behind.

At this critical moment in Canada Post's history, broader change is urgently needed to preserve and modernize the postal system. The Corporation needs flexibility in its delivery model, collective agreements, and regulatory and policy framework to better serve Canadians and compete in today's parcel delivery market. Without significant changes to modernize and preserve this critical national infrastructure, Canada Post projects larger, unsustainable losses in future years. The future of the national postal system is at risk.

Preventing insolvency with repayable funding from the Government of Canada

To ensure the company could remain solvent and continue operating, the Government of Canada announced in early 2025 it would make available to Canada Post up to $1.034 billion of repayable funding during the government's fiscal year ending March 31, 2026.

While the repayable funding will ensure the continuity of postal services and stability for the workers who depend on their pay and benefits, it will not solve Canada Post's structural issues. The funding provides a much-needed financial bridge in the short term as the company works with the federal government on the urgent changes required to ensure the long-term viability of the postal system.

Statement from Doug Ettinger, President and CEO of Canada Post

"Canada Post is Canada's delivery infrastructure. We have the network, the people and the trusted experience to support all Canadians and Canadian retailers. We must be prepared to do what's necessary to help deliver for Canada as it navigates a challenging future. Our current structure was built for a bygone era of letter mail – the status quo has led us to the verge of financial insolvency and is not an option. The need to change, respond to our challenges and secure this important infrastructure for the future is more urgent than ever before."

Parcels

Parcels revenue declined by $683 million, or 20.3 per cent, in 2024 as volumes fell by 56 million pieces, or 19.9 per cent, compared to 2023. Parcels revenue and volumes declined largely due to the labour disruption in the fourth quarter and competitive pressures from other carriers including low-cost new entrants. Changes in customer mix and a decline in fuel surcharges (tied to market rates) also affected Parcels revenue in 2024.

Transaction Mail

Transaction Mail revenue fell by $105 million, or 5.3 per cent, in 2024 as volumes declined by 187 million pieces, or 9.3 per cent, compared to 2023. Letter mail volumes continued to erode as Canadians and businesses shift to digital communications. The labour disruption at the end of 2024 also affected volumes and revenue for the line of business, as Canadians, charities and businesses could not send mail during the busy holiday period. The regulated postage rate increase in May 2024, which represented a weighted average increase of 7.6 per cent, helped mitigate the impact on revenue.

Direct Marketing

Direct Marketing revenue declined by $21 million, or 3.0 per cent, in 2024 as volumes increased by 102 million pieces, or 1.8 per cent, compared to the prior year. New customer relationships and client products helped increase sales for the Canada Post Neighbourhood Mail™ service in the first 10 months of the year. This growth was offset by the impacts of the labour disruption, when businesses paused or cancelled marketing campaigns during the busy holiday period. While Direct Marketing revenue has declined partly due to the emergence of other marketing platforms, Canada Post continues to look at ways to integrate physical and digital experiences to enhance its marketing solutions.

Group of Companies

In 2024, the Canada Post Group of Companies2 recorded a loss before tax of $665 million, compared to a loss before tax of $529 million the previous year. The results for the Group of Companies were mainly due to the loss by the Canada Post segment.

Purolator Holdings Ltd. recorded a profit before tax of $294 million compared to $293 million in 2023.

In early 2024, Canada Post and Purolator announced the divestiture of 100 per cent of the shares of SCI Group Inc. and Innovapost Inc. The SCI and Innovapost divestitures closed March 1, 2024, and April 15, 2024, respectively.

Source: Canada Post