Canada Post records $205-million loss before tax in first quarter

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OTTAWA â€“ Canada Post recorded a loss before tax of $205 million in the first quarter of 2026 as revenue and volumes declined across all lines of business, reinforcing the urgency of the Corporationâ€™s transformation thatâ€™s now underway.

The company's $205-million loss before tax in the first quarter deteriorated by $164 million compared to a loss before tax of $41 million in the first quarter of the prior year. Revenue fell by $181 million, or 14.3 per cent,[1] in the first quarter compared to the same period of 2025.

A multi-year transformation to make the company and the country stronger

Canada Post has begun a critical transformation that will strengthen the postal service, better support businesses and enable national commerce, while helping the Corporation meet its dual mandate of delivering for all Canadians in a way that is financially self-sustainable. The multi-year transformation is essential for the company to move away from taxpayer-funded cash injections.

Canada Post is committed to moving forward with its transformation in a timely manner, while working closely with its bargaining agents and the Government of Canada.

Continued labour uncertainty weighed on customer demand in first quarter

In the first quarter of 2026, the company continued to be without new collective agreements with the Canadian Union of Postal Workers (CUPW). A ratification vote by employees on tentative agreements is currently taking place from April 20 to May 30, 2026. This uncertainty for customers continued to weigh on Parcels results in the first quarter, with revenue down by $79 million compared to the same period of the prior year. Volumes and revenue also declined for the Transaction Mail and Direct Marketing lines of business.

The cost of operations declined by $19 million, or 6.9 per cent, in the first quarter compared to the same period a year earlier. This was partly due to a decline in outbound parcel volumes, which resulted in lower fees paid to foreign postal administrations for delivering mail and parcels. Labour costs rose

due to higher wages and four additional paid days compared to the same period a year earlier. Through the first quarter of 2026, the decline in volumes did not result in corresponding labour savings, as the company continued to operate with some labour structure inefficiencies.

Parcels

In the first quarter of 2026, Parcels revenue declined by $79 million, or 17.1 per cent, while volumes fell by 7 million pieces, or 17.2 per cent, compared to the same period in 2025. Collective agreements with CUPW had not yet been ratified in the first quarter, which resulted in uncertainty for customers and pushed deliveries to competitors offering stability. Parcel volumes will be slow to win back, reinforcing the critical need to transform in a competitive market.

Transaction Mail

In the first quarter, Transaction Mail revenue fell by $82 million, or 13.7 per cent, as volumes declined by 76 million pieces, or 15.7 per cent, compared to the same period a year earlier. The results were also affected by year-over-year comparisons to the first quarter of 2025, when letter mail volumes surged due to election mailings and a backlog following the labour disruption in late 2024. Letter mail volumes are expected to continue to erode as consumers and mailers continue to migrate to digital channels.

Direct Marketing

Direct Marketing revenue fell by $24 million, or 13.4 per cent, in the first quarter as volumes declined by 146 million pieces, or 17.0 per cent, compared to the same period in 2025. The year-over-year comparisons were affected by a strong first quarter in 2025, due to pent up demand following the 2024 labour disruption. Some marketers continued to turn to digital marketing channels, including artificial intelligence, which also affected results.

Canada Post Group of Companies

In the first quarter of 2026, the Canada Post Group of Companies2 recorded a loss before tax of $251 million, expanding by $149 million compared to a loss before tax of $102 million in the same period of the prior year. The Group of Companies' results deteriorated compared to the previous year largely due to the results of the Canada Post segment.

Purolator Holdings Ltd. recorded a profit before tax of $23 million in the first quarter of 2026, increasing by $4 million compared to a profit before tax of $19 million in the same period a year earlier.

Source: Canada Post

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