International Post Corporation

Omniva Q2 results confirm: business is growing, cost-saving measures are working, and the companyâ€™s financial position is strong

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Omniva has published its financial results for the second quarter of 2025, confirming the success of the cost-reduction plan launched in spring and an increase in operational profitability. The operating profit of the state-owned international logistics group reached â‚¬0.8 million for the quarter, a fourfold increase compared to the same period last year. Net profit rose by 56%, reaching â‚¬0.4 million

“If the first quarter – and thus the half-year results – were positively impacted by the revenue from the sale of the Pallasti property, then in the second quarter there were no extraordinary revenues – all profit was generated from core operations. Therefore, the operating and net profit figures for the quarter clearly show that our business has grown and profitability has genuinely improved,” said Martti Kuldma, Chairman of the Management Board of Omniva.

Revenue growth was driven by international transit

The Group’s revenue grew by 6% in the second quarter compared to the same period last year, reaching €35.8 million. Parcel volumes in the home market – the Baltics – grew steadily, supported primarily by the continued popularity of Asian e-commerce platforms, especially Temu. “It is worth noting that growth was mainly driven by consumers in Latvia and Lithuania, as the purchasing power of Estonian customers has declined, which is also reflected in our volumes,” added Kuldma.

The largest contribution to revenue growth came from international transit, with volumes doubling compared to the previous year.

The provision of the universal postal service (UPS) in Estonia continued to decline – usage fell by 23% compared to the previous year, resulting in a quarterly loss of €0.6 million for the Group. Periodicals volumes decreased by 14% in the second quarter, with a quarterly loss of €0.5 million.

“These figures show that the costs of providing affordable postal services and home delivery of periodicals to Estonian residents are currently covered by international transit – investing in this

business line has paid off, and we will continue to develop our international operations," Kuldma confirmed.

Compensation for unreasonable costs remains unpaid

At the same time, a legal dispute continues with the Competition Authority regarding compensation for the unreasonable costs of providing the universal postal service in 2021–2022. Compensation for 2023 and 2024 also remains unpaid, with those applications currently under review by the Competition Authority. As of the end of June this year, the total unpaid compensation from the state amounts to €6.2 million.

"Over these years, Omniva has contributed €3 million to the UPS fund but has received only €1.4 million in compensation, despite actual uncovered costs amounting to €7.5 million. A system that should cover the losses of a public service provider has, in our case, become a cost," Kuldma explained.

The cost-cutting plan delivered the expected results

Profitability was influenced more by cost savings than by revenue growth. "Since our first-quarter results fell short of expectations, with costs rising faster than volumes and revenue, we launched a robust cost-reduction and efficiency improvement programme in spring," Kuldma explained.

While the impact of cuts and efficiency measures is already clearly visible in almost all of Omniva's business areas in the second quarter, the 20% reduction in labour costs through the downsizing of support services implemented during the quarter will begin to show its effect in the second half of the year.

The company's financial position is strong

Omniva's operating cash flow grew to €3.6 million in the quarter (2024: €3.2 million). By the end of the quarter, the company held €4.3 million in cash, which is more than four times the amount a year ago. No overdraft was used.

Key activities during the quarter included the launch of a national delivery pilot project and the first steps in building a network of community parcel machines. As a result of negotiations with trade unions, the management board decided at the end of the quarter to increase courier salaries by 7%. Omniva received two top awards at the 2025 World Post & Parcel Awards gala: Best Alternative Delivery Method (for personal and community parcel machines) and Best Postal Evolution (for the transformation from a national postal service to a regional logistics leader).

"In the second half of the year, we will continue to optimise costs and improve efficiency. We will critically review all

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commercial services to focus on the most profitable business lines. The provision of high-quality postal services and the search for future-proof solutions will continue, but we also need state support – a fair resolution to the compensation dispute with the Competition Authority and the entry into force of the new Postal Act. We hope that by the end of the year, Omniva will once again be a profitable company. After all, our peak season – Christmas – is still ahead!" said Kuldma.

Source: Omniva

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