

Omniva invests into development after record-breaking profit

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AS Eesti Post ended 2020 with a record turnover and the highest profit in history, which allows investment into the parcel machines network expansion and bringing the service closer to the clients both in the cities and rural areas.

The company's record turnover in 2020 was 135.6M euros, and the highest profit ever at 9.6M euros.

"Since the company finished 2019 with a loss and the difficult financial situation continued into the following year, the activities of 2020 were characterised by finding greater efficiency in operations and launching strategic changes to achieve this," Eesti Post member of the management board Charlie Viikberg explained. The strategic change was handling postal and parcel service as a single service in order to achieve extensive impact with logistics. Additionally, a process for moving from network based quality requirements to requirements based on actual availability of the service was launched.

"The year started with major difficulties concerning liquidity problems, but swiftly launched projects with internal efficiency, savings measures and significant growth in e-commerce caused by the COVID-19 pandemic, had an impact and the turnover

of our parcel services increased by 41% compared to 2019," Viikberg said. "This enabled us to refinance liabilities and drive a new wave of growth."

According to Viikberg, the successful year allows the company to continue with the important investment of expanding the parcel machine network this year. "If our parcel machines outside of cities have reached settlements with ca 900 people in Estonia, then with the new expansion we will also reach places with a population of 700 people," Viikberg said.

According to the plans, the company will expand the largest parcel machine network in the Baltic states this year in the same extent as it did in 2018, when 100 new parcel machines were installed across Estonia. The objective of the expansion is to support the increasing e-commerce growth and offer our clients a better service, incl. in many areas where the parcel machines have not yet reached. In addition to the new machines installed in Estonia, the expansion also

includes Latvia and Lithuania.

In addition to the parent company, the income of all subsidiaries related with e-commerce also significantly increased in 2020. According to Viikberg, excellent results across the Baltic states and growing parcel volumes help to ensure the sustainability of postal service in Estonia. "We see the future of the company as a unified service provider in delivering parcels, letters and newspapers," Viikberg said. "Delivering letters in the same network as parcels helps to ensure best logistic solutions and cost efficiency."

According to Eesti Post's assessment, the executed strategic changes will ensure profit again for the company in 2021. However, the European Union customs regulations enforced in the middle of the year will impact the international parcel volume and, compared to the extraordinary 2020, the turnover and profit will likely be somewhat

lower this year.

The main area of activity of the group operating under the Omniva brand is the provision of postal, logistics and information logistics services and the handling of e-invoices. In addition to the parent company AS Eesti Post, the group includes subsidiaries and related companies. SIA Omniva and UAB Omniva LT provide parcel machine and courier services in the Latvian and Lithuanian markets. The area of activity of AS Maksekeskus is the provision of payment solutions for e-commerce companies in the Baltic states. Post11 offers e-merchants integral international logistics solutions for the delivery of goods all over the world and Finbite OÜ provides fintech services in the Baltics.

AS Eesti Post is a company owned by the state. The group employs 2300 people across the Baltic states.

Source: [Omniva](#)