

AS Eesti Post 2019 financial results

09-04-2020

AS Eesti Post confirmed the 2019 financial results at the general meeting held on 6 April 2020.

AS Eesti Post group business revenues increased in 2019 by 18.9% compared to 2018, reaching 129.6 million euros. The net loss of the group was 3,711 euros in 2019. "In 2019, the two main trends that continued affecting the Omniva group were the growing e-commerce, which offers many opportunities, and the declining traditional postal service, which poses challenges," said chairman of the Omniva management board Ansi Arumeel. "Operating in these conditions left the group's result for 2019 in the red because the profit of the over-the-counter market businesses was not enough to cover the losses of the universal postal service and distribution of periodical publications. One of the reasons for this was the tightened competition in the international transit sector, which significantly reduced this business segment's profitability."

According to Arumeel, the main aim for the company in 2020 is to keep the Estonian postal services sustainably running, mainly by increasing the parcel business in the Baltics as well as the capacities of additional businesses.

E-commerce in the Baltics supports the postal service in Estonia

Subsidiaries related with e-commerce showed significant growth across the Baltic States in 2019. "This shows that by expanding in the Baltic States and investing in parcel machines and logistics centres, we have made the right and forward-looking decisions

that help to ensure the company's sustainability and also support the provision of postal services in Estonia" Arumeel said.

In Latvia, the parcel machine service turnover increased by 46% in 2019 and the parcel machine network expansion continued, also previous generation machines were replaced with new. Parcel machine service sales revenue increased more than 62% in Lithuania in 2019 and the parcel machine network was doubled.

AS Maksekeskus, which provides safe and convenient payment solutions and e-commerce services to e-merchants and their clients, also indicated growth. In 2019, the company continued growing and operations on the Latvian market were expanded. The company's return on sales increased by 42% in a year.

Postal workers are the basis of service quality

The year's results were also influenced by the growing labour force costs, which were primarily affected by the salary increase of the front line workers and specialists.

"Our employees are very important for us and in the situation where the salaries of the front line workers were nearly a third behind the median salary in the company, a raise was inevitable," Arumeel said. "As a result, the labour force turnover decreased and employee satisfaction increased. This, in turn, forms the basis of providing quality postal service."

Concerning the costs, the group's 2019 results were mostly also affected by the launch of the Estonian logistics centre and sorting line at the beginning of the year, as well as the increased transport and facilities costs, including depreciation costs.

In 2019, the parent company paid dividends in a net amount of 1,600 thousand euros, to which 394 thousand euros of VAT was added (in 2018, the dividends were in the amount of 223 thousand euros).

In 2019, the average number of employees was 2,294. The average number of employees has increased by 50 employees. The number of employees has continued to

grow in the rapidly evolving subsidiaries and remained stable in the parent company.

AS Eesti Post, which uses the Omniva brand, is a state-owned company that belongs under the domain of the Ministry of Economic Affairs and Communication. The company provides postal business, parcel business, information business and international business services.

In addition to the parent company AS Eesti Post, the group includes AS Maksekeskus, OÜ Omniva, Lithuanian subsidiary UAB Omniva LT, Latvian subsidiary SIA Omniva and related company OÜ Post11.

Source: [Omniva](#)