

## Speedy AD

### Strong growth in second half of the year

#### Share Information

Price (BGN)	105.00
52-week price change	-8.7%
52-week price range	100 – 121

Market Cap (BGN)	564,649,995
Market Cap (EUR)	288,700,958
Shares outstanding	5,388,619
Free Float	10.10%

P/E (ttm)	16.56
P/S (ttm)	1.49
P/BV	6.72

Source: SIS Calculations and Market Data  
The BGN is pegged at one euro equals 1.95583 leva.



\* in BGN

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### Q4 Individual Results

- 2022 was a very positive year for the company as it marked record growth powered primarily by the active expansion of online trade and the overall increased business activity in the post-covid restrictions economy of Bulgaria.

- The growth in the demand for the services increased in the later part of the year. From 13.7% steady increase in domestic sales in Q1 YoY, they skyrocketed to over 25% in Q4. The booming business activity and demand for goods in the country were the main driving factors for the increase in sales.

- International sales grew with just 9.5% because they were influenced by the high inflation in the Eurozone and the decreased purchasing demand. As a result, the Speedy CEE Economy service (online purchases with cash at delivery in Hungary, Croatia, Slovenia, Slovakia, Czech Republic and Poland) recorded a marginal decrease, while the deliveries to the other countries in the Eurozone marked minimal increases. This was offset by the steady growth in demand for the Speedy Balkan service (deliveries to/from Romania and Greece), which appears to be the highest potential segment in the near future.

- The increase in operational expenses is largely due to the increase in fuel cost, which shot up 53%. Additional operational expenses indirectly related to the rising cost of fuel also increased.

- High fuel costs in the future are unlikely to decrease the profitability as pricing for the services consists of Courier Service fee and Fuel fee, which is adjusted every month according to changes in fuel prices.

- The growth in current liabilities is due to 3 main factors – growth in leasing liabilities, in commercial payables and staff. The company leases buildings, machines, transport vehicles and computers, so the growth of the business lead to the need for more offices and vehicles (representing over 80% of leasing liabilities, which increased 19.5%), staff for the new locations and lines (69% increase) and new commercial payables (64% increase).

- The B2B segment, which skyrocketed in the second half of 2022, caters to companies, which can outsource their internal delivery and logistics operations or the delivery function of the large retail companies. Future projections for that, as well as the online purchases segment, are hard to make as sales are directly dependent on the economic activity in the countries where Speedy operates. Speedy is positioned to benefit from overall increase in trade in either physical stores or online trade in the economies.

**FINANCIAL SNAPSHOT**
**QUARTERLY RESULTS**

Financial Metrics	Q4 2022*	Q4 2021	% Change	TTM
Total Revenue	261 635	216 395	21.0%	390 633
Operating expenses	-228 490	-191 779	19.1%	-335 356
EBIT	52 471	40 490	29.6%	55 277
Operating Margin	20%	19%	-1.3%	14%
EBITDA	73 078	57 737	26.6%	85 892
Net profit	41 345	29 980	37.9%	43 729
Net Margin	16%	14%	-1.9%	11%
Total Assets	211 429	187 678	12.7%	-
Net Debt	29 171	50 054	-41.7%	-
Debt-to-Equity	0.69	0.90	-	-

**FINANCIAL RATIOS**

Per share	Q4 2022*	2021	2020	2019
Number of shares	5 377 619	5 377 619	5 377 619	5 377 619
EPS	7.69	6.02	5.33	3.54

Growth & Activity	Q4 2022*	2021	2020	2019
Revenue growth	21.0%	18.4%	24.6%	25.7%
Earnings growth	19.1%	20.4%	21.0%	20.2%
CAPEX growth	0.0%	19.8%	23.2%	0.0%
CAPEX/Revenue	0.0%	-13.5%	-13.3%	-13.5%
Asset Turnover	132.9%	146.4%	140.5%	137.8%
Working Capital Turnover	16869.5%	9313.4%	29981.9%	-2663.3%

Return & Profitability	Q4 2022*	2021	2020	2019
ROE	42.0%	39.8%	37.0%	31.8%
ROA	19.6%	13.9%	14.0%	11.3%
ROIC	28.2%	21.5%	20.6%	17.1%
EBITDA margin	26.0%	20.6%	22.3%	21.2%
Operating margin	18.7%	12.7%	14.2%	11.6%
Net margin	14.7%	9.5%	9.9%	8.2%

Gearing & Liquidity	Q4 2022*	2021	2020	2019
Debt-to-Equity	0.7	1.1	1.0	1.1
Net Debt to EBITDA	2.5	1.5	1.6	1.0
Interest coverage	305.1	76.2	63.8	27.1
Cash ratio	0.6	0.5	0.6	0.3
Current ratio	1.1	1.0	1.1	0.9

**COMPANY DESCRIPTION**

Speedy AD is a parcel delivery service provider concentrated primarily in Bulgaria from where they get over 80% of revenues. They have made the push to expand internationally servicing mostly the areas with larger Bulgarian diaspora such as all neighboring countries, as well as nearly all countries from Central and Eastern Europe, Germany, France, etc.

**ANNUAL FINANCIAL RESULTS**

Income Stmt (BGN th)	Q4 2022*	2021	2020	2019
Operating Revenue	261 635	337 754	283 468	228 059
Financial Income	19 326	4 187	5 408	3 872
<b>Total Revenue</b>	<b>280 961</b>	<b>341 941</b>	<b>288 876</b>	<b>231 931</b>
Operating expenses	(191 779)	(298 645)	(247 993)	(205 035)
EBIT	52 471	43 296	40 883	26 896
EBITDA	73 078	70 551	64 298	49 195
<b>Net profit</b>	<b>41 345</b>	<b>32 364</b>	<b>28 683</b>	<b>19 026</b>

Balance Sheet (BGN th)	Q4 2022*	2021	2020	2019
Current assets	73 764	81 170	70 014	45 563
Cash & equiv.	38 872	42 984	37 002	16 196
Non-current assets	137 665	152 406	135 531	122 805
PP&E and Inv. Properties	86 450	116 054	97 249	82 208
<b>Total Assets</b>	<b>211 429</b>	<b>233 576</b>	<b>205 545</b>	<b>168 368</b>
Current Liabilities	64 578	80 640	63 201	50 449
ST Loans	19 896	21 833	15 319	14 765
Non-current liabilities	48 468	71 538	64 721	58 013
LT Loans	48 147	68 948	61 305	51 175
<b>Total Liabilities</b>	<b>113 046</b>	<b>152 178</b>	<b>127 922</b>	<b>108 462</b>
<b>Equity</b>	<b>98 383</b>	<b>81 398</b>	<b>77 623</b>	<b>59 906</b>
Net Working Capital	9 186	530	6 813	(4 886)
Total Debt	68 043	90 781	76 624	65 940
Net Debt	29 171	47 797	39 622	49 744

Cash Flow Stmt (BGN th)	Q4 2022*	2021	2020	2019
CF from operations	55 405	62 345	66 775	38 969
CF from investments	5 062	(14 227)	(14 547)	(14 547)
CAPEX	20 296	46 060	38 456	31 212
Purchase of investments	4 862	12 591	7 748	3 500
CF from financing	42 355	41 745	29 906	29 906
Paid interest	172	568	641	992
Paid dividends	21 480	28 233	10 755	7 529

\* Figures for Q4 2022 are on individual basis, while those for 2021, 2020 and 2019 are from audited consolidated financial statements of the company.

Source: SIS calculations and Speedy AD financial statements

Sales ( '000 BGN)	2022	% of total	2021	% of total	Δ %	Q4 2022	% of total	Q4 2021	% of total	Δ %
Domestic mkt	210 819	80.60%	168 832	78.00%	24.90%	63 519	81.90%	50 705	78.90%	25.30%
International mkt	44 275	16.90%	40 434	18.70%	9.50%	12 138	15.70%	11 033	17.20%	10.00%
Other	6 541	2.50%	7 083	3.30%	-7.70%	1 860	2.40%	2 542	4.00%	-26.80%
Number of parcels	42 660		41 243		3.40%	12 120		11 166		8.50%
<b>Total sales</b>	<b>261 635</b>		<b>216 349</b>		<b>21.00%</b>	<b>77 517</b>		<b>64 280</b>		<b>20.60%</b>

Source: company financials

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