

## Speedy AD

### Share Information

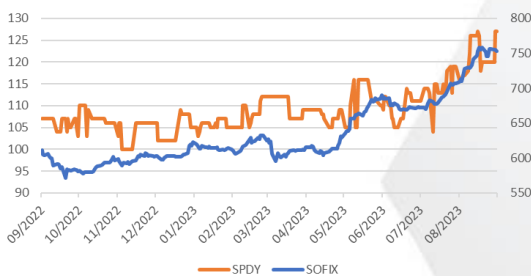
Price (BGN) 127.00  
 52-week price change 18.69%  
 52-week price range 100 – 127

Market Cap (BGN) 682,957,613  
 Market Cap (EUR) 349,190,682  
 Shares outstanding 5,388,619  
 Free Float 10.10%

P/E (ttm) 18.67  
 P/S (ttm) 1.56  
 P/BV 8.04

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

52 week price change



\* in BGN

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### A new all time price high amid doubling sales in Greece

#### Q2 Individual Results

- Revenues in Q2 2023 continued their upward trend and marked a 24.4% YoY increase. The growth is due to the greater domestic business and the increasingly popular deliveries to and from Greece. Technically, both the increased parcel deliveries, as well as the increased prices in 2022 of the main services, contributed to the growth. The large growth of 26.8% on the external market is due to the doubling of the business to and from Greece.

- The acquisition of Geopost Bulgaria and Rapido Express and Logistics, whose revenues are accounted in for Speedy after the date of the acquisition – 23.05.2023 – also have a positive effect on the overall revenue growth.

- The number of transported shipments was 33.7 million, with 8.4% more than the previous year. This is below the overall revenue growth due to the increase in the cost of service compared to last year and the growing share of shipments from/to Romania and Greece, where the cost of service is higher.

- The largest contributor to the increased OPEX are the subcontractors and employees accounts, which represent over 80% of it. The subcontractors increased by 34% YoY to reach BGN 110mln. Those costs, however, are directly related to the greater revenues as they are incurred per shipment.

- Employee expenses also increase by 24.2%YoY to reach BGN 48mln. This is the result of the increased number of employees and the increased average compensation per employee due to the investments in training and automatization, which provide higher productivity.

- Material costs increased by 3.6%. Over 50% of material costs are from fuel, which is down 8.7% in H1 despite increased shipments. There was a sharp spike in oil prices in 2022, which have been steadily declining in recent months. This was also reflected in a decrease in fuel prices. The change in fuel prices does not have a significant impact on profit, as the fuel price, through the fuel surcharge, is a component in the total price for the customer. A higher fuel price corresponds to an increase in the final price for the customer and vice versa.

- Investments in efficiency and the increase in service prices have succeeded in offsetting inflationary pressures over the past year, but not completely. As a result, the EBITDA margin decreased marginally to 17% (H1 2022: 19.1%) and EBITDA grew 10.1% on annual basis to BGN 38 million.

- On 27.06.2023 the company decided on the annual shareholder meeting to distribute a dividend in the amount of BGN 4 per share for a total amount of BGN 21.5mln

**FINANCIAL SNAPSHOT**

QUARTERLY RESULTS				
Financial Metrics	Q2 2023	Q2 2022	% Change	TTM
Total Revenue	223 523	180 595	23.8%	437 175
Operating expenses	-201 895	-160 985	25.4%	-395 796
EBIT	21 628	19 610	10.3%	41 252
Operating Margin	10%	11%	-1.2%	9%
EBITDA	37 992	34 513	10.1%	74 337
Net profit	18 304	16 421	11.5%	36 581
Net Margin	8.2%	9.1%	-0.9%	8%
Total Assets	260 823	231 534	12.6%	-
Net Debt	58 186	45 373	28.2%	-
Debt-to-Equity	1.12	1.10	0.02	-

FINANCIAL RATIOS				
Per share	Q2 2023	2022	2021	2020
Number of shares	5 377 619	5 377 619	5 377 619	5 377 619
EPS	3.40	6.45	6.02	5.33
DPS		5.25 exp	4.00	5.25

Growth & Activity	Q2 2023	2022	2021	2020
Revenue growth	23.8%	-40.9%	19.7%	144.1%
Earnings growth	25.4%	18.8%	20.4%	21.0%
CAPEX growth	0.0%	-24.8%	19.8%	0.0%
CAPEX/Revenue	0.0%	-8.8%	-6.9%	-6.9%
Asset Turnover	85.7%	155.2%	285.4%	270.8%
Working Capital Turnover	-4899.2%	5964.7%	18155.8%	57774.1%

Return & Profitability	Q2 2023	2022	2021	2020
ROE	21.6%	36.7%	39.8%	37.0%
ROA	7.0%	13.7%	13.9%	14.0%
ROIC	11.8%	21.2%	21.5%	20.6%
EBITDA margin	17.0%	18.0%	59.3%	59.7%
Operating margin	9.7%	10.0%	55.2%	55.4%
Net margin	8.2%	8.8%	4.9%	5.2%

Gearing & Liquidity	Q2 2023	2022	2021	2020
Debt-to-Equity	1.1	1.0	1.1	1.0
Net Debt to EBITDA	0.7	1.9	8.3	8.4
Interest coverage	697.7	197.2	647.8	481.5
Cash ratio	0.4	0.6	0.5	0.6
Current ratio	1.0	1.1	1.0	1.1

**COMPANY DESCRIPTION**

Speedy AD is a parcel delivery service provider concentrated primarily in Bulgaria from where they get over 50% 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)	Q2 2023	2022	2021	2020
Operating Revenue	223 523	394 120	666 589	556 653
Financial Income	127	-	-	-
<b>Total Revenue</b>	<b>223 650</b>	<b>394 120</b>	<b>666 589</b>	<b>556 653</b>
Operating expenses	(160 985)	(354 886)	(298 645)	(247 993)
EBIT	21 628	39 234	367 944	308 660
<b>EBITDA</b>	<b>37 992</b>	<b>70 858</b>	<b>395 199</b>	<b>332 075</b>
<b>Net profit</b>	<b>18 304</b>	<b>34 698</b>	<b>32 364</b>	<b>28 683</b>

Balance Sheet (BGN th)	Q2 2023	2022	2021	2020
Current assets	104 676	100 218	81 170	70 014
Cash & equiv.	36 922	55 055	42 984	37 002
Non-current assets	156 147	153 688	152 406	135 531
PP&E and Inv. Properties	122 648	119 079	116 054	97 249
<b>Total Assets</b>	<b>260 823</b>	<b>253 906</b>	<b>233 576</b>	<b>205 545</b>
Current Liabilities	103 921	87 533	80 640	63 201
ST Loans	25 189	24 012	21 833	15 319
Non-current liabilities	71 975	71 787	71 538	64 721
LT Loans	69 919	68 800	68 948	61 305
<b>Total Liabilities</b>	<b>175 896</b>	<b>159 320</b>	<b>152 178</b>	<b>127 922</b>
<b>Equity</b>	<b>84 927</b>	<b>94 585</b>	<b>81 398</b>	<b>77 623</b>
Net Working Capital	755	12 685	530	6 813
Total Debt	95 108	92 812	90 781	76 624
Net Debt	58 186	37 757	47 797	39 622

Cash Flow Stmt (BGN th)	Q2 2023	2022	2021	2020
CF from operations	8 185	71 317	62 345	66 775
CF from investments	(19 340)	(10 278)	(14 227)	(14 547)
CAPEX	22 638	34 649	46 060	38 456
Purchase of investments	3 869	12 421	12 591	7 748
CF from financing	6 737	48 568	41 745	29 906
Paid interest	31	199	568	641
Paid dividends	-	21 510	28 233	10 755

\* Figures for Q2 2023 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)	H1 2023	% of total	H1 2022	% of total	Δ %
Domestic Mkt	110 745	49.5%	90 977	50.4%	21.7%
International mkt	109 424	49.0%	86 284	47.8%	26.8%
Other	3 355	1.5%	3 334	1.8%	0.6%
Number of parcels	33 748		31 135		8.4%
<b>Total sales</b>	<b>223 524</b>		<b>180 595</b>		

Source: company financials

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<b>SELL</b>	Target price below current market price between 10% and 25%
<b>STRONG SELL</b>	Target price above current market price by 25% or more

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