

Speedy AD

Steady growth in sales continues

Share Information

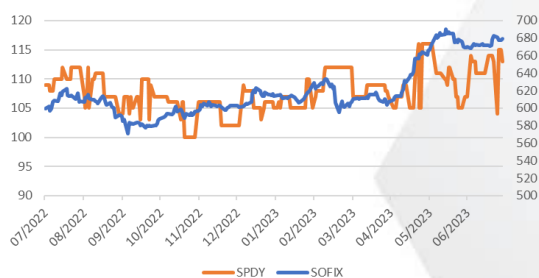
Price (BGN)	113.00
52-week price change	3.67%
52-week price range	100 – 116

Market Cap (BGN)	607,670,947
Market Cap (EUR)	310,697,222
Shares outstanding	5,388,619
Free Float	10.10%

P/E (ttm)	17.42
P/S (ttm)	1.47
P/BV	5.91

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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Q2 Individual Results

- Revenues in Q2 2023 continued their upward trend and marked a 20% YoY increase. The growth is due to the greater domestic business and the increasingly popular regional service Speedy Balkans. Technically, both the increased parcel deliveries, as well as the increased prices in 2022 of the main services, contributed to the growth.

- 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 21.7 million, with 8.5% 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 is the subcontractors account, which represents 75% of it. It increased by 18.8% YoY to reach BGN 60mln. Speedy uses subcontractors in some of the foreign markets and their function is essential. Those costs, however, are directly related to the greater revenues as they are incurred per shipment.

- Employee expenses also mark a significant increase of 22.3%YoY to reach BGN 33.8mln. 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 15.5%. Over 50% of material costs are from fuel, which is down 6% 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. As a result, the EBITDA margin changed marginally 20.5% (H1 2022: 20.4%) and EBITDA grew 20.7% on annual basis to BGN 27.2 million. Materials mark just a 15.7% increase YoY reaching BGN 4.7mln.

- 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	142 326	118 661	19.8%	421 516
Operating expenses	-124 512	-104 413	19.2%	-374 985
EBIT	21 177	17 185	23.2%	46 531
Operating Margin	15%	14%	0.4%	11%
EBITDA	32 540	27 109	20.0%	79 594
Net profit	15 311	12 267	24.8%	37 742
Net Margin	10.8%	10.3%	0.4%	9%
Total Assets	213 425	184 437	15.7%	-
Net Debt	47 927	44 408	7.9%	-
Debt-to-Equity	0.84	0.93	-0.09	-

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	2.85	6.45	6.02	5.33
DPS		5.25 exp	4.00	5.25

Growth & Activity	Q2 2023	2022	2021	2020
Revenue growth	19.8%	16.2%	18.4%	24.6%
Earnings growth	19.2%	18.8%	20.4%	21.0%
CAPEX growth	0.0%	-24.8%	19.8%	0.0%
CAPEX/Revenue	0.0%	-8.7%	-13.5%	-13.3%
Asset Turnover	68.3%	156.5%	146.4%	140.5%
Working Capital Turnover	-1430.8%	6014.8%	9313.4%	29981.9%

Return & Profitability	Q2 2023	2022	2021	2020
ROE	18.3%	36.7%	39.8%	37.0%
ROA	7.2%	13.7%	13.9%	14.0%
ROIC	11.4%	21.2%	21.5%	20.6%
EBITDA margin	22.3%	18.7%	20.6%	22.3%
Operating margin	14.5%	10.7%	12.7%	14.2%
Net margin	10.5%	8.7%	9.5%	9.9%

Gearing & Liquidity	Q2 2023	2022	2021	2020
Debt-to-Equity	0.8	1.0	1.1	1.0
Net Debt to EBITDA	0.7	2.0	1.5	1.6
Interest coverage	705.9	213.8	76.2	63.8
Cash ratio	0.3	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 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)	Q2 2023	2022	2021	2020
Operating Revenue	142 326	394 120	337 754	283 468
Financial Income	3 363	3 305	4 187	5 408
Total Revenue	145 689	397 425	341 941	288 876
Operating expenses	(104 413)	(354 886)	(298 645)	(247 993)
EBIT	21 177	42 539	43 296	40 883
EBITDA	32 540	74 163	70 551	64 298
Net profit	15 311	34 698	32 364	28 683

Balance Sheet (BGN th)	Q2 2023	2022	2021	2020
Current assets	79 029	100 218	81 170	70 014
Cash & equiv.	22 147	55 055	42 984	37 002
Non-current assets	134 396	153 688	152 406	135 531
PP&E and Inv. Properties	90 167	119 079	116 054	97 249
Total Assets	213 425	253 906	233 576	205 545
Current Liabilities	78 517	87 533	80 640	63 201
ST Loans	20 167	24 012	21 833	15 319
Non-current liabilities	51 060	71 787	71 538	64 721
LT Loans	49 907	68 800	68 948	61 305
Total Liabilities	129 577	159 320	152 178	127 922
Equity	83 848	94 585	81 398	77 623
Net Working Capital	512	12 685	530	6 813
Total Debt	70 074	92 812	90 781	76 624
Net Debt	47 927	37 757	47 797	39 622

Cash Flow Stmt (BGN th)	Q2 2023	2022	2021	2020
CF from operations	2 435	71 317	62 345	66 775
CF from investments	(12 513)	(10 278)	(14 227)	(14 547)
CAPEX	15 763	34 649	46 060	38 456
Purchase of investments	3 034	12 421	12 591	7 748
CF from financing	6 736	48 568	41 745	29 906
Paid interest	30	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	109 320	79.1%	95 088	80.1%	15.0%
International mkt	25 675	18.6%	20 669	17.4%	24.2%
Other	3 236	2.3%	2 904	2.4%	11.4%
Number of parcels	21 745		20 038		8.5%
Total sales	138 231		118 661		

Source: company financials

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STRONG SELL	Target price above current market price by 25% or more

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