



# Confident for Growth

COMPANY PRESENTATION

May 2016



## KEY FIGURES



The largest courier in Bulgaria



900 000+ unique clients



20 000+ corporate clients with contracts



300 offices in Bulgaria and 85 in Romania



20 000 000 deliveries



Part of GeoPost international network



100% coverage of Bulgaria, Romania and Greece



Over 1000 vehicles with capacity 1,5 t - 23 t



2000 employees and partners



40 000 m2 distribution network and offices



## WIDE MIX OF SERVICES

- Post and courier services
- 100% reach of door-to-door service
- Deliveries to offices
- Express pallet service (to address or office)
- Wide range of value added services
- Web-based service

## INTERNATIONAL SERVICES

- Courier and pallet services to / from Romania and Greece at local prices
- DPD overland deliveries to / from Europe
- Express pallet deliveries to / from Europe
- Express air service to every corner of the world

## LOCAL SERVICES

## COMPETITIVE ADVANTAGES

## WHY SPEEDY

- **QUALITY:** 99.2% successful deliveries
- **SPEED:** door-to-door service within 24 h
- **RANGE OF SERVICES:** Variety, flexibility, transparency
- **IT SYSTEM:** Developed and customized to support operational & commercial needs
- **CUSTOMER SERVICES:** Client's tailored services, 24h customer service, professional employees, effective quality control system
- **LOGISTIC NETWORK:** Own transport fleet, control over hubs and warehouses, quick parcels processing
- **EMPLOYEES:** Highly motivated and effective



## SERVICES WITH HIGH POTENTIAL

E- commerce growing 25+% annually in the last 2 years

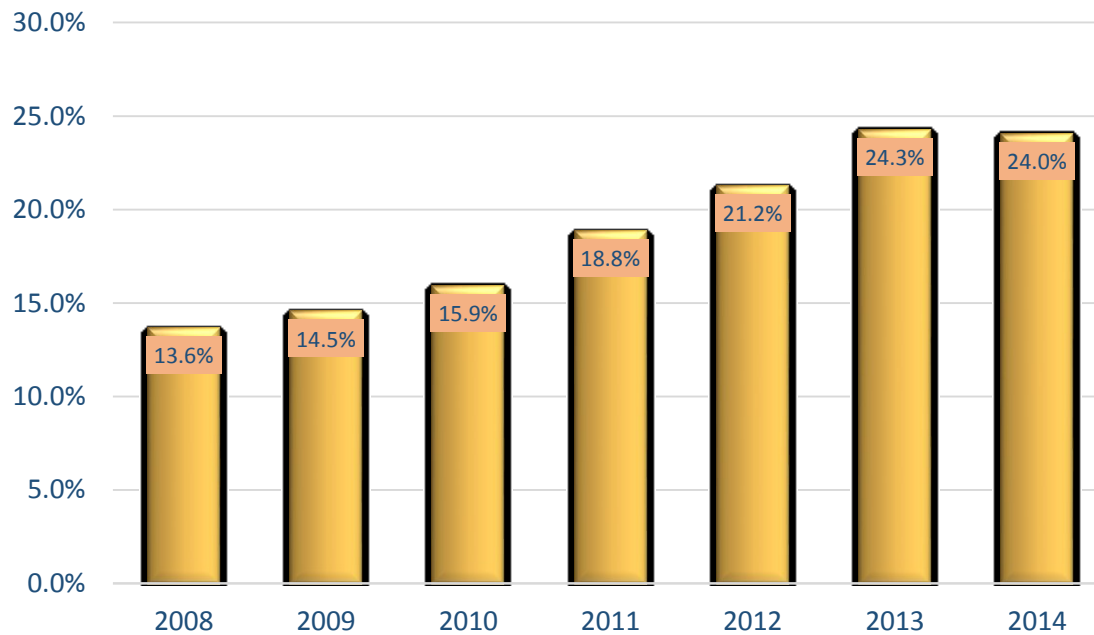
Only 28% of people make orders through internet – far below 63% in the EU

E- commerce raise the standards in the delivery business

- Night and weekend deliveries
- Deliveries to the office point with extended working time
- Modern technology requirements for connection and information
- Specified value of the parcel (higher responsibility of courier)
- Specialized packaging and storage

## TAKING THE OPPORTUNITY OF FAVORABLE MARKET

Share of the postal market in Bulgaria



Large number of registered companies but top 5 account for 2/3 of total volumes

5-years cumulative market growth of 33% (46.7% in the segment where Speedy operates)

Romanian market shows high potential and much larger share of cross-border orders

Market share of over 5% in Romania, targeting top 3



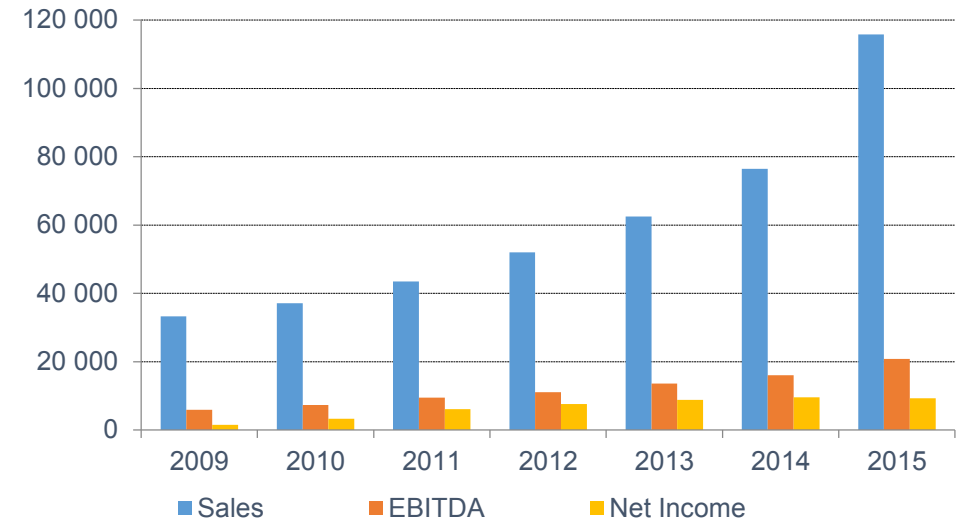
## THE WAY TO A LARGE REGIONAL PLAYER

Acquisitions in 2014 contributed considerably to the sales

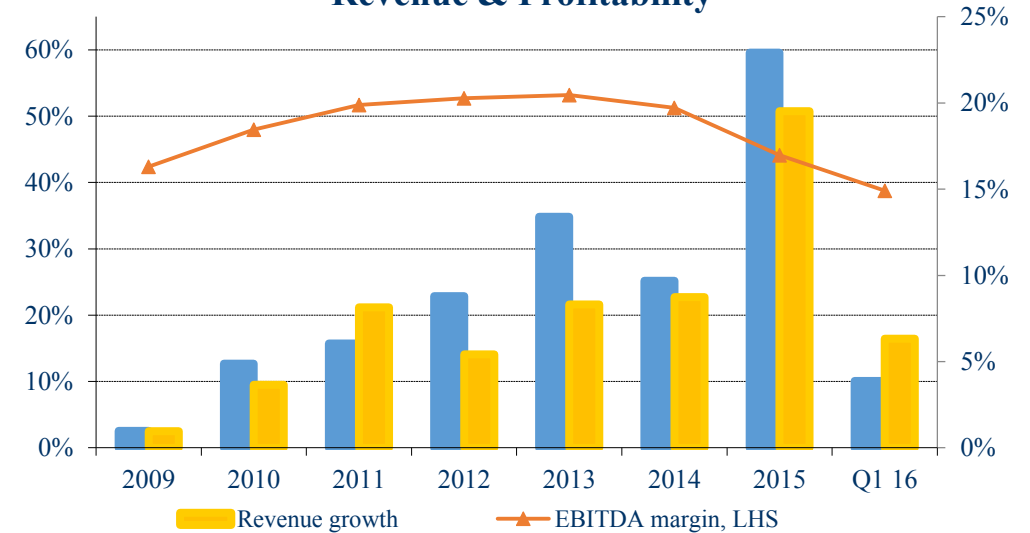
International deliveries and pallets in Bulgaria have increased almost 5 times since 2009 and account for more than 50% of the incremental sales

Core activity (parcels) keeps the pace and potential is far from exhausted

EBITDA Margin in constant improve until 2014. The lower margins of DPD Romania and the pick of expenses in Q1 16 lowered the profitability

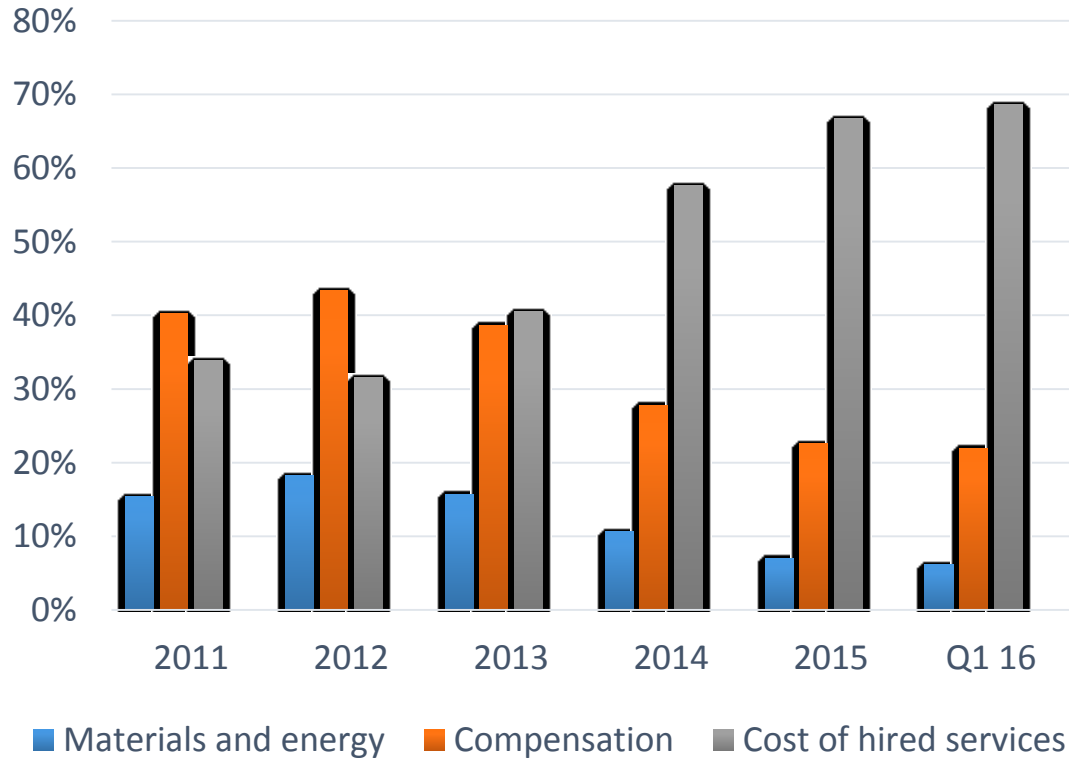


### Revenue & Profitability



## SEARCH FOR OPTIMIZATION

### Costs Structure, % of OPEX



In 2014 Speedy executed a major change in its strategy – the logistic activities from predominantly in-house were largely outsourced

Costs structure changed with subcontractors taking the largest shares at the expense of fuel, maintenance and remuneration

Large expenses for expansion and increase of capacity conceal the effect of restructuring – on non-consolidated bases EBITDA Margin hit a peak of 21% in 2015.



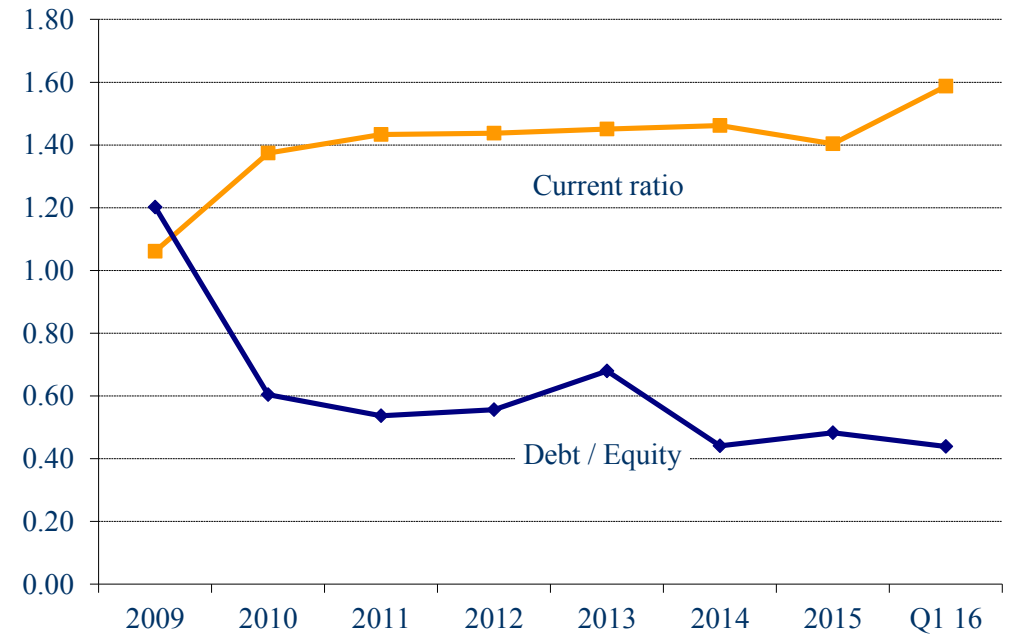
## STRATEGY FOR SUSTAINABLE GROWTH

The rapid growth is not at the expense of the financial standing

Solid balance sheet provides the necessary base to sustain the pace of growth in long term

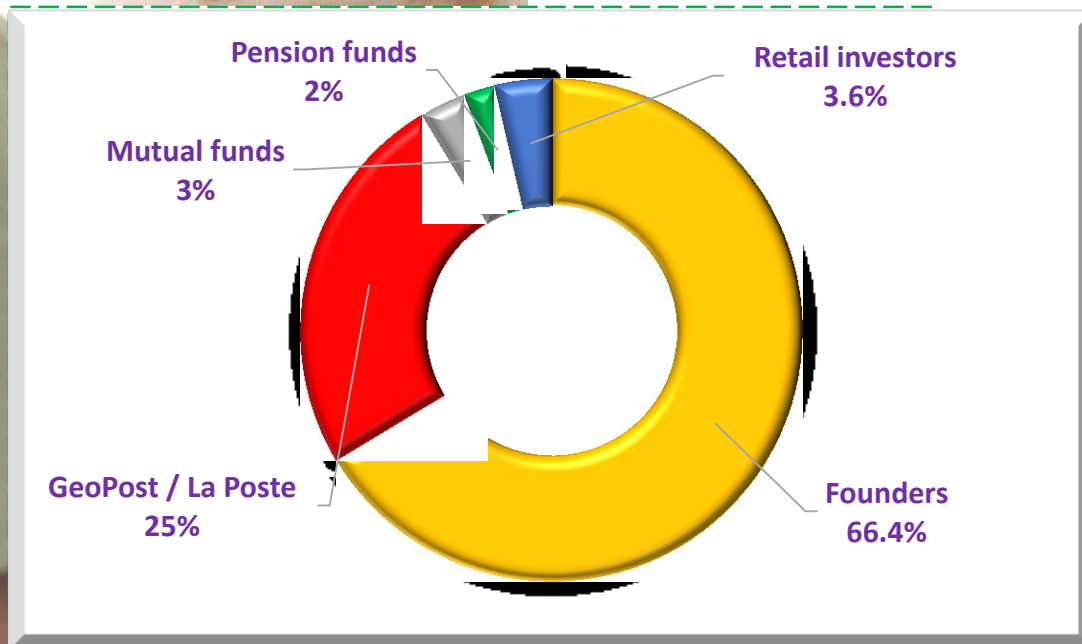
High ROE of 22% helps to maintain 50% payout ration and to finance the growth

## GROWTH ON THE FIRM GROUND



## BUILDING TRUST

Promises during the IPO in 2012	Fulfillment
Acquisition in Romania and regional expansion	✓
Attracting strategic investor	✓
Annual sales growth above 10%	✓
At least 50% dividend distribution	✓
Outstanding corporate governance	✓



## SHARE PRICE AND DIVIDENDS

	BGN
Share price Nov 2012	17
Share price May 2016	36
Cumulative DPS since IPO	4,18
Dividends paid ( <i>cumulative</i> )	20,5 m
Market cap Nov 2012	76m
Market cap May 2016	192m





## OUR STRATEGY

*Wide range of courier and logistic services*

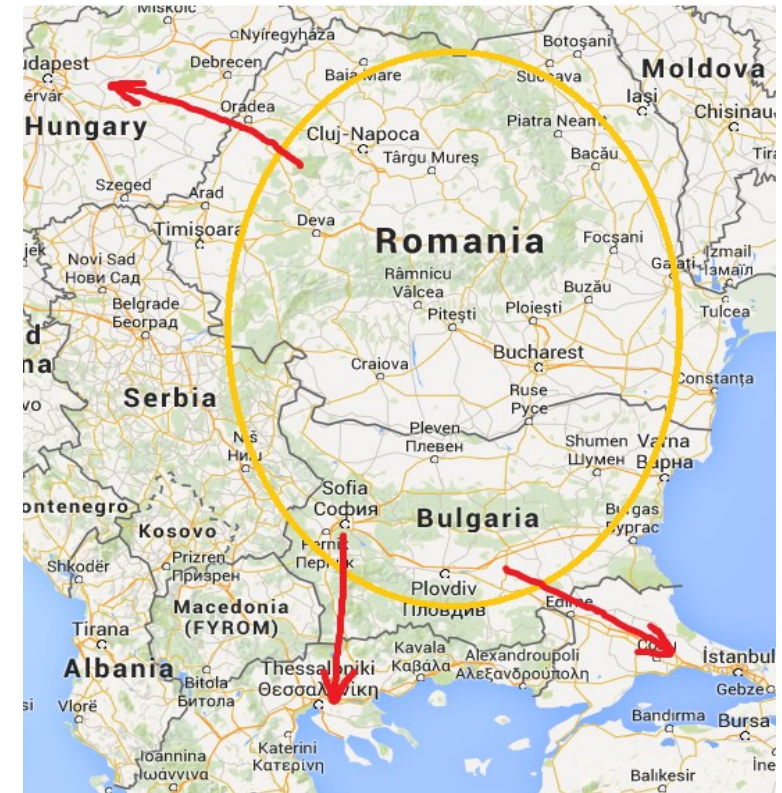
*In the country: City, Express, Economic*

*In the region: Bulgaria, Romania, Greece, Turkey*

*To and from Europe*



## BUILDING REGIONAL PRESENCE







## OUR VALUES

