



## Fan Courier, growth of above 10% amidst international rivals

Roxana Grigorean **19.01.2009**

Fan Courier, the biggest Romanian-held courier service company, is budgeting 10-15% turnover growth in crisis times, and is to support this performance by taking over the customers of firms that will not hold out on the market and by directing its portfolio toward the fields seeing rising activity volumes.

"Even though some firms cut back their activity volume and disappear from the market, the activity of other firms, such as law ones, will intensify. At the same time, we'll take over clients from the firms that will go out of business (...)," said Adrian Mihai, one of the three shareholders of Fan Courier. The company started feeling slower growth last November, but after the first eleven months turnover fell back in line with the 40% growth target in RON, to 139m RON (37.7m euros). "For the entire year, I believe growth will top 35% in RON. December did not bring the increase we had expected (...)," Mihai also said. Thus, the company's turnover reached more than 40m euros last year, and in 2009 is set to top 45m euros, according to the growth pace announced by the company. Fan Courier will continue its organic growth this year on a market dominated by mergers and acquisitions and that is going to see a dramatic drop in the number of players starting this year.

"We do not plan to buy troubled firms, because we see no point in taking over a firm that is 2% of us, especially when there's the risk of also taking over a lot of debt," Mihai said.

Fan Courier is one of the few Romanian-held couriers left on the market, together with TCE-Curiero. "As we haven't decided to sell so far, we are not selling now. Multiples have dropped significantly," said the stakeholders in Fan Courier, which, together with TCE Logistica Curiero are the only Romanian-held couriers with turnover topping 5m euros.

The largest part of the company's turnover, over 90%, comes from internal delivery services, but the company is set to also develop its international courier services starting this year. While the company's turnover will continue to increase, profitability in the field is shrinking. Last year, the company's profit margin stood at 23%, according to the Finance Ministry.

Adrian Mihai also specified the company would make further investments in its headquarters, entailing a total of around 8.5m euros, the land not included. The company will also make investments in PDAs, technology and fleet.