

## Cargus aims for expansion on large international markets in 2023

**Cargus, one of the largest players in the Romanian courier industry, estimates a 13% increase in volumes in 2022, the main growing generators being: local ecommerce growth, international partnerships and substantial increase in the subscription and B2C segment.**

This growth was supported by consistent investments in the Out of Home Network expansion, new warehouses, in providing a complex portfolio of products and solutions for the ecommerce market and in digital innovations. The total investment in the last three years exceeds 24 million euros, despite the macroeconomic context that had an important impact on the growth of the courier market.

“2022 was a year of development for Cargus. We built a mature portfolio of products and services, developed digital solutions for ecommerce and offered a suite of logistic solutions, from state of the art warehouses to delivery options, such as the national out of home network. We did this through significant investments and consistent efforts. Now it’s time to push the things forward. As part of our mission to offer a good customer experience and consolidate our position in Romania we will strengthen our footprint both on the domestic market and on large international ones, develop new digital tools and services, and build an integrated system that will help growth-minded merchants fuel their businesses”, says Yannick Mooijman, CEO Cargus.

### **Expand beyond local border**

One important milestone for Cargus is developing the business internationally, by linking large ecommerce platforms with Romanian customers and helping local ecommerce platforms sell their products on international markets. The company already made steps in this direction, tapping into European countries, such as Poland. There, Cargus opened its first cross-dock facility, started line-haul operations and added local sales resources to the team. Next year, Cargus will continue to expand into countries such as Germany, Czech Republic, Slovakia, Hungary, Greece and Bulgaria (inbound and outbound).

Another important focus in 2023 will be on consolidating the out of home network and increase the volumes delivered through it. This year, the company invested in expanding the SHIP & GO network – reaching 3,000 locations across the country, and diversifying it – the network consists of PUDO points and lockers. The out of home network covers 750 cities in Romania, large and small, and offers customers various payments methods: card, Pay by Link through the Cargus Mobile app, but also cash. With the help of international provider, SwipBox, Cargus launched this fall its own lockers – an innovation on the market, a fully contactless solution, operated through the Cargus Mobile app, and sustainable due to its batteries that have a lifespan of up to 10 years.

### **Launch new products and enhance the diversity in services**

Most of Cargus’ business segments had an upward evolution in the second part of the year, the first part being affected by the war and economic challenges, but the subscription Cargus launched at the end of 2021 had an impressive growth. The product proved to be an extremely attractive solution for e-commerce entrepreneurs and is expected to increase with over 70% by November 2023.

The subscription offers entrepreneurs a flat-price option for all parcels up to 20kg, with no surcharges, thus reducing shipping costs. 58% of the companies chose to a 24 months delivery subscription and over 20% opted for packages with 100 or 200 parcels sent per month. Also, companies that have purchased Cargus subscriptions are active in industries such as FMCG (43%), automobiles, fashion and construction and carry out their commercial activity in cities such as Bucharest, Cluj, Timișoara, Ploiești or Târgu Mureș.

At the beginning of 2023, Cargus will expand its returns service, an essential tool in customer experience, loyalty

and lifetime value. The service will offer customers the possibility to return a product they bought easy and fast, in a SHIP & GO and by using digital tools.

### **Investments in logistic footprint and innovations**

An important share of the investment budget in the last years was dedicated to logistic optimization and bringing the network to high excellence standards of the delivery services. This year, Cargus launched 3 new warehouses in the CTPark Bucharest logistic space, in Bucharest-Ilfov, in Constanța Business Park and in CTPark Oradea Cargo Terminal. And for 2023 plans to open three new assets in Sibiu, Reșița and Slatina, thus being present in every county. The investments made in logistic infrastructure made that Cargus have the necessary infrastructure for business development for the next 3-5 years.

Furthermore, in 2022, the company also focused on launching innovative technological and digital solutions, to provide customers with the best delivery experience, such as the Cargus Mobile app. The Cargus Mobile application reached a new record of interest and usage on the Romanian courier market: in the first 12 months after its launch, it was downloaded almost 600,000 times from Google Play and the App Store. More than 100,000 of the users accessed the mobile application at least once in the last 30 days and 95% of them used all available functionalities – send, track parcel, forward parcel. More, 30% of the parcels sent by occasional shippers are made through digital applications.