

# InPost (INPST) Investment Analysis Report

November 29, 2025

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# Executive Summary

## Company Overview

InPost S.A. is Europe's leading automated parcel machine (APM) service provider and a disruptive force in last-mile logistics. Founded in Poland, the company has revolutionized e-commerce delivery by replacing inefficient door-to-door courier routes with a dense network of automated lockers.

- **Market Position:** Undisputed dominance in Poland with over 27,000 APMs (98% of the population lives within a 7-minute walk).
- **Expansion:** Rapidly scaling in Western Europe, specifically the UK (via Yodel acquisition and organic growth) and France (via Mondial Relay).
- **The Model:** A tech-enabled logistics platform that offers consumers 24/7 convenience while providing merchants with a cheaper, faster, and greener delivery option than traditional couriers.

## The Moat: The "Density Flywheel"

InPost's competitive advantage is not just physical infrastructure, but the **mathematical efficiency** of network density.

- **The Utilization Gap:** A traditional courier driver makes ~150 stops per day. An InPost driver delivers ~1,000+ parcels to lockers in the same shift. This drives a **structural 40%+ cost advantage** over door-to-door competitors.
- **The Flywheel Effect:** As InPost adds more lockers, consumer convenience increases → volume grows → delivery density rises → unit costs drop → InPost can lower prices or increase margins, funding more lockers.
- **Barrier to Entry:** Competitors face a "utilization trap." To compete, they need a dense network. But building a network requires massive capex that burns cash until volume arrives. Because InPost already captures the volume, entrants cannot survive the cash-burn phase long enough to reach density.

## Investment Thesis

The market currently misprices InPost as a low-growth logistics utility facing competition, rather than a high-growth tech infrastructure platform.

### I. The Polish Cash Machine (Funding the Growth)

Poland is the engine room, generating 82% of Group EBITDA. The market fears InPost is losing share as its largest partner, Allegro, builds its own lockers. The data refutes this: InPost has retained 98% of merchant volume, and Allegro's internal network has failed to gain traction due to the "utilization trap." Poland provides the stable free cash flow to conquer Western Europe.

### II. International Inflection Point

The "Poland Playbook" is successfully replicating abroad.

- **UK:** The acquisition of Yodel and organic APM growth has vaulted InPost to the #1 locker network position. The UK business has crossed the profitability threshold (adjusted EBITDA positive) and is accelerating.
- **France:** Through Mondial Relay, InPost is converting a legacy PUDO (Pick-Up Drop-Off) network into a high-margin automated locker network, with APM volumes growing 81% YoY.

### III. Structural Consumer Shift

Consumer preference is structurally shifting toward Out-of-Home (OOH) delivery. It solves the "porch piracy" theft problem and the "missed delivery" frustration. As Gen Z becomes the dominant spending cohort, the preference for locker delivery over home delivery is widening the gap against legacy couriers like Royal Mail or La Poste.

## Management & Alignment

The company is founder-led by **Rafał Brzoska** (CEO), who retains a ~12.5% stake, ensuring high alignment with minority shareholders.

- **Capital Allocation:** Management has proven disciplined, utilizing debt primarily for high-ROI network density rather than vanity projects.
- **Strategic Backing:** The presence of **Advent International** and **PPF Group** on the cap table provides financial discipline and operational expertise.

## Valuation & Asymmetry

We value InPost using a 5-Year Discounted Cash Flow (DCF) model with a 12.0% discount rate.

- **Base Case (€21.95 / +118%):** Assumes 17% revenue CAGR and margin expansion to 21.5% as international markets mature. We apply a 10x Exit EBITDA multiple, consistent with high-quality infrastructure assets.
- **Bear Case (€7.40 / -26%):** Assumes growth collapses to 8% (stagnation) and margins plateau at 15.7%. Even in this "broken growth" scenario, the downside is capped at ~26%.

**Conclusion:** The risk/reward is skewed in the investor's favor. The market is pricing InPost for failure (near-zero international contribution), while the operational data shows a company replicating its monopoly-like economics in the largest e-commerce markets in Europe.

# Company Overview

InPost S.A. (INPST) operates Europe's leading out-of-home e-commerce logistics network, fundamentally disrupting how parcels reach consumers. Rather than relying on traditional door-to-door courier services, InPost has built a vast infrastructure of self-service Automated Parcel Machines (APMs) and Pick-Up/Drop-Off (PUDO) points where customers collect packages at their convenience.

The company has transformed from a Polish postal challenger into a pan-European logistics platform. InPost now operates **~54,000 APMs and 88,000 total out-of-home delivery points** across nine countries: Poland, France, UK, Italy, Spain, Portugal, Belgium, Netherlands, and Luxembourg. This network processed over 1 billion parcels in 2024, making InPost the continent's largest parcel locker operator.

The financial scale matches the physical footprint. In FY2024, InPost generated revenue of **Polish Złoty (PLN) 10.95 billion** (approximately €2.5 billion) with Adjusted EBITDA of **PLN 3.65 billion**, delivering margins that traditional couriers can't match. The Polish operations alone achieved a **46.2% Adjusted EBITDA margin**, demonstrating the superior economics of the locker model when deployed at scale.

A critical inflection point arrived in mid-2025: international markets now account for **over 50% of revenue**, and the number of APMs outside Poland has exceeded the domestic count. This marks InPost's definitive transition from a Polish success story to a true pan-European platform.

## How InPost Works

InPost treats parcels like passengers in a hub-and-spoke transit system, with lockers serving as micro-hubs. This fundamental shift moves the "last mile" work from the courier to the consumer (who walks a few minutes to collect their package) in exchange for faster, cheaper delivery. For our North American readers, it's worth noting that walking to go shopping and run errands is far more commonplace in Europe.

### Automated Parcel Machines (APMs)

The backbone of InPost's model is its network of self-service APMs, accessible 24/7. Each APM requires capital expenditure of approximately **PLN 100,000-130,000** (€25,000-€30,000) including hardware and installation. These steel units contain roughly **120 compartments** on average, though compartments can be reused multiple times daily as customers retrieve packages.

A mature APM operating at **72% utilization** achieves payback in just **13-14 months**. At 85% utilization, a single APM generates approximately **PLN 123,000 in annual gross profit**. Many high-traffic locations in Poland operate near 100% capacity during peak seasons, requiring multiple daily restocking runs.

### Pick-Up/Drop-Off Points (PUDO)

In markets where APM density remains low, InPost partners with local shops to serve as parcel collection points. This strategy proved particularly valuable through the Mondial Relay acquisition, which brought thousands of PUDO partnerships across France, Benelux, and

Iberia. While less efficient than lockers, PUDO points provide immediate market coverage as the company builds out its APM network.

## Traditional Courier Service

InPost maintains door-to-door delivery as a complementary service, primarily for oversized parcels or specific customer needs. In Poland, this represents about **14% of volumes** (96 million parcels in 2023).

## The Revenue Engine

InPost generates revenue per parcel delivered, with fees paid primarily by e-commerce merchants and marketplaces, not consumers. The pricing advantage is compelling: in Poland, APM delivery costs merchants approximately **PLN 7-8 per parcel** versus **PLN 10-11 for traditional courier delivery**, a 20-30% discount.

Major platforms like Allegro, Amazon, and Vinted pay these fees directly. The company serves over **52,000 online merchants** in Poland alone, creating powerful network effects: consumers expect locker delivery at checkout, and merchants see conversion rates jump **30-70%** when offering InPost's one-click checkout option.

## Why InPost Wins

The InPost model creates value for everyone in the delivery chain by fundamentally reimagining last-mile logistics.

### For Consumers: Convenience Without Compromise

InPost eliminates the friction of home delivery. With **24/7 APM access**, customers never worry about missed deliveries. Delivery speed is notable: **97% of parcels in Poland are delivered the next day**. In Poland, **61% of the population lives within a 7-minute walk** of a locker (87% in urban areas), enabling customers to retrieve packages on their own schedule.

### For Merchants: Higher Sales, Lower Costs

Beyond the 20-30% cost savings versus traditional delivery, InPost drives revenue growth. Customer satisfaction remains exceptionally high, with InPost maintaining a Net Promoter Score of **~80**. Merchants also benefit from zero failed deliveries: every parcel reaches its destination on the first attempt.

### For InPost: Superior Economics at Scale

The operational efficiency is substantial. A single InPost courier can deliver **1,000-1,500 parcels per day** to lockers, roughly 10 times more than the 150 parcels typical for home delivery routes. This density advantage, combined with the asset returns mentioned above, enabled the Polish business to achieve a **>50% pre-tax return on invested capital** in 2023.

## A Tale of Three Geographies

InPost operates through three distinct geographic segments, each at different stages of maturity.

## Poland: The Profit Engine

Poland remains InPost's most profitable segment. In 2024, the Polish operations delivered **709.2 million parcels** (+20.3% YoY), generating **PLN 6.47 billion in revenue** and **PLN 2.99 billion in Adjusted EBITDA**. While contributing **59% of 2024 group revenue**, Poland generates **82% of group EBITDA** thanks to its superior margins. The segment produced **PLN 1.60 billion in free cash flow**, funding international expansion.

With **27,000 APMs** and over 3 million locker compartments, InPost has achieved **45%+ market share** of total Polish parcel volumes. Half of all Polish adults (**18 million users**) have used an InPost locker, with the mobile app boasting 11-13 million active users.

## Mondial Relay: The Transformation Story

Acquired in July 2021 for €513 million, Mondial Relay brought InPost instant access to France, Belgium, Netherlands, Spain, and Portugal. This segment handled **266.7 million parcels** in 2024, generating **PLN 3.02 billion in revenue** (28% of group total) and **PLN 457.2 million in Adjusted EBITDA** (13% of group total).

The real story is margin expansion. Mondial Relay's Adjusted EBITDA margin improved from 11.5% to **15.1% in 2024**, a 360 basis point jump. The segment added **3,900 new APMs** in 2024, reaching 9,214 total (73% increase YoY). Parcels delivered to APMs jumped from 14% to **26% of volume**, as the company converts its legacy PUDO network to higher-margin APMs.

Only one-third of the French population lives within 7 minutes of a Mondial Relay point, compared to Poland's 61%. Management expects margins to improve 100-200 basis points annually as density builds.

## UK & Italy: High-Growth Markets

The UK and Italy markets represent InPost's highest-growth frontier. Combined, they generated **PLN 1.45 billion in revenue** (13% of group total) and swung from losses to **PLN 197.6 million in Adjusted EBITDA** in 2024.

The UK transformation has been significant. In 2024, parcel volumes **doubled to 93.2 million**, while revenue surged **164% to PLN 1.16 billion**. By Q3 of 2025, the network expanded to over 17,000 out-of-home points, including **12,000 APMs**, making InPost the UK's largest APM network. EBITDA per parcel improved from PLN 0.32 in Q4 2023 to **PLN 3.23 in Q4 2024**.

Italy volumes grew **41% to 22.6 million parcels**, with the APM network expanding 84% to 3,229 APMs. Both markets have roughly 40% population coverage within a 7-minute walk (half of Poland's density), suggesting years of growth ahead.

# Competitive Advantages Analysis

## The Core Moat: Scale Economies Through Network Density

InPost's competitive advantage revolves around the fact that the offering becomes exponentially more valuable for all participants as it scales. This scale economies model transforms InPost from a logistics provider into critical infrastructure where value creation compounds through network density.

For InPost, this model generates strong returns. The Polish operations achieve a **46.2% Adjusted EBITDA margin**, nearly double traditional logistics companies, while converting to **23% free cash flow margins** that fund continuous expansion.

The strategic value lies in the structural barrier this creates: InPost can price below competitors' variable costs while generating superior cash flows. When your delivery cost is **PLN 4.54** and competitors need **PLN 7.73** just to break even, you possess a moat that capital alone cannot bridge.

## The Density Flywheel: How Scale Becomes Self-Reinforcing

InPost's competitive advantage operates through a density flywheel that has been compounding for over a decade in Poland.

**Step 1: Network Density Creates Convenience** With **27,000+ lockers** in Poland, InPost has achieved coverage that makes APM delivery the default choice for millions of consumers.

**Step 2: Convenience Drives Volume Aggregation** This accessibility has attracted **18 million Polish users**, half the country's population, driving massive volume concentration. Urban lockers operate at **>100% capacity** during peak periods, with parcels turning over multiple times daily.

**Step 3: Volume Enables Structural Cost Reduction** From 2017 to 2023, as parcel volumes surged **11x**, InPost's cost per parcel fell **41% nominally and 80% in real terms**. Fixed costs spread across exponentially more parcels, driving marginal delivery costs near zero.

**Step 4: Cost Savings Reinvested in Lower Prices** Rather than capture these gains, InPost passed them to customers: **real revenue per parcel declined ~45%** over the same period. This strategic choice accelerated market share capture while creating a price umbrella so low that competitors cannot profitably operate beneath it.

**Step 5: Low Prices Displace Competitors** The combination drives continuous share gains. InPost's volumes grew **17% in 2023 versus 12%** for the Polish market, indicating displacement of less efficient rivals. This additional volume flows back to Step 1, funding new locker deployments.

Each revolution strengthens InPost's position. The cycle accelerates rather than slows, making the incumbent progressively harder to challenge.

## Pillar I: Structural Cost Leadership Through Superior Unit Economics

The foundation of InPost's moat lies in reimagining last-mile delivery economics. While traditional couriers battle dispersed residential stops, InPost concentrates deliveries into high-density nodes.

### *The 10x Courier Efficiency Multiplier*

An InPost courier delivers **1,000-1,500 parcels per day** by servicing multiple locker locations, while a traditional door-to-door courier manages just **100-150 deliveries**, a 10x productivity increase where each InPost driver achieves a significant productivity multiple.

This efficiency gap addresses key courier productivity challenges: travel time between addresses, failed delivery attempts (reaching **15-25% in urban areas**), and waiting for customers. Traditional couriers effectively make 1.25 delivery attempts per successful parcel in dense cities. InPost's first-attempt success rate is **100%**.

### *The Cost Structure Advantage*

InPost's cost to deliver a parcel is **PLN 4.54 versus PLN 7.73** for traditional door delivery, a **41% structural cost advantage**. Since last-mile represents **60-70%** of total delivery costs, InPost attacks the largest cost component.

The advantages compound with **66-90% lower CO<sub>2</sub> emissions and fuel consumption** per parcel. During 2022-2023 inflation, traditional couriers raised prices or compressed margins while InPost held steady or cut prices, capturing share from struggling competitors.

### *Pricing Below Competitors' Costs*

InPost charges merchants approximately **20-30% less** than traditional couriers while maintaining superior profitability. At mature scale, marginal cost approaches just fuel and minimal handling; fixed infrastructure is already covered by baseline volume.

This creates a powerful dynamic. By reinvesting efficiency gains into lower prices, InPost has effectively closed the profit pool for entrants. Matching InPost's prices means accepting losses indefinitely until achieving similar scale.

Traditional couriers cannot close this gap through operational improvements; they would need to abandon door-to-door delivery entirely and rebuild as a locker network. Until then, InPost operates with a structural 40%+ cost advantage providing significant pricing power.

## Pillar II: The Utilization Trap - Why Even Giants Cannot Compete

A significant barrier protecting InPost is the challenging economics facing new entrants. Even companies with Amazon's resources face a utilization trap that makes profitable entry extremely difficult.

### *The Binary Economics of Locker Networks*

Parcel locker economics follow a brutal utilization curve. At **<20% utilization**, networks generate significant losses with deeply negative contribution margins. At **50% utilization**, networks reach breakeven. At **>90% utilization** (where InPost's Polish network operates), each APM generates strong contribution margin.

InPost's **892 million parcels in 2023** across **~35,000 lockers** globally meant each APM handled approximately **25,000 parcels annually**. Urban lockers operate at >100% capacity during



peaks. At this utilization, nearly every parcel contributes pure margin after minimal variable costs.

#### *The Entrant's Dilemma*

Consider a well-funded competitor attempting to challenge InPost's 27,000-APM Polish network. Even building an equal network overnight creates shared losses: splitting the market leaves both at ~50% utilization. Even InPost's hyper-efficient model would barely break even; the entrant would incur losses indefinitely.

The investment required is staggering: €1 billion+ in capital expenditure, followed by 5+ years of operating losses while climbing the utilization curve. Throughout, the entrant faces an incumbent profitably operating at prices below the entrant's variable costs.

#### *The Shared Economy Defense*

InPost has reinforced this dynamic by deliberately shrinking the profit pool. Having already reduced real prices substantially (as detailed in the flywheel above), new competitors cannot enter with premium pricing; they must match InPost's already-low prices while operating at massive losses.

This creates a catch-22: achieving scale requires winning volume from InPost, but InPost's near-zero marginal cost allows further price cuts while remaining profitable. The entrant faces years of losses with no guarantee of reaching sustainable utilization.

#### *Real-World Validation*

Market evidence proves this theory. Despite Poland's attractive e-commerce market, deep-pocketed challengers have captured **<10% of the OOH segment combined**. InPost maintains **~90% of locker-based deliveries**.

This utilization trap represents a strong moat, not about capital or execution, but mathematical challenge of profitably replicating an incumbent network that has achieved scale and shared its economies. Rational competitors understand this equation and choose cooperation over confrontation.

### **Pillar III: Two-Sided Network Effects and Ecosystem Lock-In**

InPost's moat extends beyond cost advantages into network effects creating mutual dependency between merchants, consumers, and the platform.

#### *Merchant Lock-In: When Shipping Becomes Infrastructure*

InPost has transcended delivery option status to become critical e-commerce infrastructure. **88% of Polish APM users choose InPost**, and removing the APM option causes a **4% drop in conversion rates**, a penalty outweighing even 25% cost savings from alternatives.

Over **52,000 merchants** have integrated InPost's APIs and operational workflows. More compelling, **84% of Polish consumers** say nearby APMs make them more likely to shop online; InPost literally creates e-commerce demand.

This explains why even competitors building their own networks (as discussed in the Durability section) continue using InPost. The merchant lock-in is so strong that direct competitors remain captive customers.

### *Consumer Habituation: The Power of Proximity*

InPost has transformed delivery preference into ingrained habit. **93% of Polish consumers** name InPost lockers their most preferred method, behavioral lock-in reinforced by **99% brand recognition**.

The **13.7 million mobile app users** have integrated the service into daily routines through InPost Pay (8+ million users), loyalty programs, and C2C shipping. Each service deepens engagement and raises switching costs.

Physical proximity creates the ultimate moat. Even if rivals matched InPost's locker count overnight, they would merely achieve parity, not superiority, against a decade of behavioral conditioning.

### *The Data Advantage: Optimizing the Invisible*

Processing **over 1 billion parcels in 2024**, InPost has accumulated substantial data on flows, patterns, and optimal placement. The company knows exactly where to place the next APM for maximum utilization, while competitors must guess.

A decade of operational data cannot be replicated through capital alone. Competitors face not just a network to rebuild but an intelligence gap widening daily.

### *The Infrastructure Reality*

InPost has become so embedded that removal would damage Poland's entire e-commerce market. When shoppers filter merchants by APM availability and merchants structure operations around APM delivery, InPost has become deeply embedded as market infrastructure.

### *Durability and Regional Variance: A Tale of Two Moats*

InPost's competitive advantages display stark geographic variance: a dominant position in Poland contrasted with nascent positions internationally.

### *Poland: The Fortress Market*

In Poland, InPost has achieved near-utility status in e-commerce infrastructure. With **45%+ total market share** and **~90% of locker-based deliveries**, InPost's position approaches natural monopoly.

Despite deep-pocketed competitors (Orlen+Cainiao (~5,000 lockers), DHL, and others), their combined efforts remain marginal. The market has proven that competing against an incumbent operating at >90% utilization while sharing economies through pricing is economically irrational.

Consumer behavior has crystallized around InPost as default. When overwhelming consumer preference combines with merchant dependency, competitive displacement becomes very challenging.

### *International Markets: The Density Race*

Outside Poland, InPost faces fundamentally different dynamics. Despite holding #1 APM positions in the UK (12,000 APMs) and France (8,948), market share remains high single digits.

The challenge is a race for density before incumbents adapt. Royal Mail targets 21,000+ pickup points and 2,500 lockers. La Poste/DPD expands its "Pickup" network. Amazon deploys

proprietary lockers. These established players possess existing infrastructure and relationships.

InPost must achieve critical coverage thresholds before incumbents modernize. Once multiple players achieve reasonable density, markets fragment and Polish-style dominance becomes impossible. The company needs 50%+ utilization internationally to establish the same protective dynamics.

## Management and Capital Allocation

InPost benefits from founder-led management with substantial skin in the game and a compensation structure that tightly aligns executive incentives with long-term shareholder value. CEO Rafał Brzoska retains meaningful ownership, has added to his position through open-market purchases, and operates under a pay framework where 88% of compensation is performance-based, unusual for a European company and more characteristic of U.S. best practices.

### Founder-CEO Rafał Brzoska

Brzoska (born 1977) founded InPost and has served as CEO since inception, building the company from a Polish postal disruptor into Europe's leading parcel locker network. His track record demonstrates both entrepreneurial vision and pragmatic financial management. When the company faced early financial difficulties, Brzoska brought in Advent International as a partner in 2017, using the capital infusion to accelerate expansion rather than cash out. The results speak for themselves: InPost's parcel volumes grew approximately 57% annually from 2015 to 2021, and the company successfully listed on the Amsterdam exchange in January 2021.

Critically, Brzoska maintains a substantial ownership stake of approximately 12.5% (held through A&R Investments), making him the second-largest shareholder. More telling than static ownership is his behavior: between 2023 and 2025, Brzoska purchased €11.8 million of shares in the open market at an average cost of €13.38 per share. Insider buying of this magnitude signals genuine conviction about the company's trajectory: executives rarely deploy personal capital at scale unless they believe shares are undervalued.

### Ownership Structure

InPost's ownership has evolved from concentrated private equity control toward a more distributed base, though significant blocks remain. At the 2021 IPO, Advent International held approximately 46%, with Brzoska at 12.4% and the remainder split among institutional investors and public float.

By mid-2025, the landscape had shifted considerably. Advent gradually reduced its position through block trades, including a 15% sale to PPF Group in 2023. Current ownership stands at:

- **PPF Group:** ~29% (strategic investor, Czech-based conglomerate)
- **A&R Investments (Brzoska):** ~12.5%
- **Advent International:** ~6.5% (down from 46% at IPO)

- **Public float:** ~52%

Importantly, InPost operates with one-share-one-vote and no dual-class structure, meaning voting power is proportional to economic ownership. No single shareholder controls a majority, and the founder's interests remain aligned with outside investors rather than entrenched through supervoting rights.

## Incentive Alignment

InPost deliberately adopted a compensation framework emphasizing performance-based pay, designed to drive growth while tying rewards directly to results.

*Base Compensation:* Executive base salaries sit around the lower quartile of comparable companies. CEO Brzoska's base salary of PLN 2.6 million (~€560,000) represents just 12% of his total compensation, with 88% tied to variable incentives. This ratio resembles U.S. executive pay norms rather than typical European structures where variable components are smaller.

*Annual Bonus:* Executives are eligible for bonuses up to 200% of base salary, with 60% weighted on Adjusted EBITDA and 40% on strategic objectives. Uniquely, 50% of any earned bonus is mandatorily deferred into InPost shares that vest after three years, effectively creating a "mini-LTIP" layered on top of annual targets. These deferred shares are forfeited if the executive departs before vesting, encouraging retention and discouraging short-term decision-making.

*Long-Term Incentive Plan:* The LTIP grants performance-based equity over three-year periods, with vesting tied to achieving target EBIT in the final year. Maximum payout is capped at 600% of base salary over the cycle. Both bonus shares and LTIP awards carry mandatory two-year holding requirements post-vest, preventing quick liquidation and maintaining an ownership mindset.

This structure creates direct alignment: if share price and financial results grow strongly, management benefits significantly; if not, a substantial portion of their potential compensation disappears. The deferred bonus mechanism is particularly noteworthy: it discourages actions that boost one year's EBITDA at the expense of future performance, since executives literally cannot access rewards until results prove durable.

## Communication & Track Record

Management has established credibility through conservative guidance and transparent communication. Analyst commentary consistently notes that InPost sets achievable targets and typically meets or exceeds them, the opposite of promotional management that overpromises to inflate near-term share prices. The Chairman's letter after the company's first public year candidly acknowledged disappointing share price performance rather than deflecting blame, a tone that builds trust with long-horizon investors.

One potential gap: ROIC or capital efficiency metrics are not explicitly included in disclosed bonus criteria. However, management's substantial equity stakes implicitly penalize poor capital allocation: subpar investment returns would depress the stock and their personal wealth accordingly. External evidence suggests this discipline exists in practice: the company has generated high Return on Equity. Moreover, management has passed on expansion

opportunities that failed to meet return hurdles, indicating a culture that values investment discipline even without explicit ROIC-linked compensation.

## Capital Allocation Philosophy

InPost's capital allocation framework prioritizes high-return growth investments, maintains prudent leverage, and considers shareholder returns only after funding attractive opportunities. This reflects both the company's growth stage and the exceptional unit economics of its core business. Management has demonstrated discipline in ensuring investments translate into value creation rather than empire-building, a critical distinction for capital-intensive infrastructure businesses.

## Organic Reinvestment: The Core Growth Engine

The primary use of capital has been expanding InPost's network of Automated Parcel Machines and supporting logistics infrastructure. Capital expenditure has consistently run at 12–13% of revenue (PLN 1.0–1.3 billion annually in 2021–2022), reflecting deliberate reinvestment of operating cash flows into the highest-return opportunities available.

The economic justification is compelling. A single APM installation in Poland has a payback period of approximately 14 months and an IRR exceeding 60%. These unit economics mean that deploying capital into network expansion is highly value-accretive as long as demand exists. Management has communicated that even in newer markets, where payback periods are longer, the model should achieve strong ROI at scale as density improves.

Importantly, management has shown discipline rather than simply maximizing locker count. During 2022's macro uncertainty and rising interest rates, InPost moderated capex plans despite ample cash, signaling willingness to slow deployment rather than chase growth at any cost. They publicly stated that capex would flex with demand signals: if e-commerce growth softened, they would focus on optimizing utilization of existing capacity (which reached approximately 86% in 2020–21) before adding incremental APMs. This counter-cyclical discipline distinguishes thoughtful capital allocators from growth-at-all-costs operators.

## M&A: Strategic and Disciplined

InPost has pursued acquisitions to accelerate geographic expansion, but management has demonstrated pricing discipline and integration skill. The Mondial Relay acquisition in July 2021 illustrates this approach.

InPost paid €513 million for Mondial Relay, France's leading out-of-home e-commerce logistics platform, implying an EV/EBITDA multiple of approximately 8.5x on €60 million of EBITDA. Management justified the valuation based on Mondial's market position and synergy potential: the business operated ~40,000 PUDO pickup points but no APMs, and had been "starved of capital by previous owners." The strategic logic was sound: rather than building from scratch in France (requiring years and substantial customer acquisition costs), acquire the market leader and invest incremental capex to upgrade the network.

The 8.5x multiple was modest for a tech-enabled logistics asset with clear improvement potential. InPost financed the deal with cash and debt rather than issuing equity, keeping pro-forma leverage at approximately 3.3x, elevated but manageable given the company's cash generation. Management explicitly stated that post-acquisition capital allocation would

prioritize deleveraging, demonstrating a prudent plan to reduce debt with operating cash flows rather than remain highly leveraged indefinitely.

Integration execution reinforces confidence in management's M&A capabilities. InPost invested in converting Mondial's model through locker deployment and faster delivery infrastructure, but phased the spending rather than deploying unlimited capital at once. By 2023, approximately 60% of Mondial's B2C parcels were delivered next-day versus near-zero pre-acquisition, and EBITDA margins expanded several points. Management neither under-invested (milking Mondial for cash) nor over-invested (building ahead of demand), they scaled capital deployment as results justified further expansion.

## Financing Strategy

Management has demonstrated a clear preference for debt over equity financing, provided leverage remains within comfortable bounds. The rationale is straightforward: founder Brzoska and other insiders sought to avoid dilution, and they believed cash flows could support moderate debt levels.

This preference has proven value-accretive for shareholders. InPost funded major acquisitions primarily through debt and operating cash, avoiding the dilutive equity raises that often accompany rapid expansion. Net leverage declined from 3.2x to 2.2x between 2021 and 2023 as cash flows absorbed acquisition debt, evidence that management's confidence in deleveraging capacity was well-founded.

## Shareholder Returns

Given its growth focus, InPost has not paid dividends since listing, and share buybacks have been limited. The stated policy is to consider dividends "in the medium term" once growth investments and financial flexibility needs are satisfied.

However, management is not indifferent to returning capital. InPost initiated its first buyback program in late 2022, repurchasing approximately 2.3 million shares (~0.46% of shares outstanding) at prices around €8–9 per share. The program was modest, roughly €20 million, and management subsequently slowed the pace, citing macro uncertainty. The willingness to repurchase shares at all signals that management will return capital when they perceive undervaluation and lack higher-return deployment alternatives. For a growth-stage company with 60%+ IRR reinvestment opportunities, prioritizing organic investment over buybacks represents rational capital allocation.

## Track Record

The results validate management's capital allocation approach. Parcel volumes grew from approximately 30 million in 2018 to over 1 billion in 2024 (709 million in Poland, 93 million in UK, remainder in France/Italy). EBITDA nearly tripled from PLN 827 million in 2019 to PLN 2.73 billion in 2023, outpacing even robust revenue growth. InPost now delivers approximately 50% of all e-commerce parcels in Poland while establishing meaningful positions in Western European markets.

This growth was achieved while maintaining healthy returns on capital and reducing leverage, evidence that management has balanced expansion ambition with financial discipline. The combination of founder ownership, performance-based compensation, and demonstrated



capital allocation skill provides reasonable confidence that future investment decisions will prioritize shareholder value creation.

## Investment Thesis

The market's cautious stance on InPost reflects two primary concerns: customer concentration risk in the core Polish business and skepticism about the company's ability to replicate its exceptional domestic margins internationally. At current valuations, investors are effectively paying for the mature Polish franchise while assigning minimal value to international operations that now represent over 40% of revenue.

We believe this skepticism is excessive on both counts.

## The Allegro Question

### Market Concern

Allegro, Poland's dominant e-commerce marketplace, represents approximately 15% of InPost's total revenue and an estimated 25% of marginal EBITDA. The relationship has drawn investor scrutiny because Allegro has publicly stated its intention to reduce dependence on InPost by building its own APM network and partnering with alternative carriers including DHL and Orlen. The current contract runs through 2027, creating uncertainty about renewal terms and volume retention.

The market's concern is straightforward: if Allegro successfully diverts a meaningful portion of its delivery volume away from InPost, the impact on Polish profitability could be material. Bears point to Allegro's strategic motivation (no platform wants critical infrastructure controlled by a third party) and its financial capacity to invest in alternatives.

### Our Differentiated View

We believe the market overestimates both Allegro's ability to reduce InPost dependence and the financial impact if some volume does migrate. Five factors support this view:

*First, network density forces Allegro's hand.* InPost operates over 27,000 APMs providing dense, nationwide coverage (approximately one APM per 1,000 Polish residents). Allegro's nascent network remains sparse by comparison, concentrated in major urban centers with limited rural penetration. Consumer convenience depends on proximity; shoppers expect the nearest APM to be within a short walk. To match InPost's coverage, Allegro would need to deploy tens of thousands of additional machines at substantial capital cost. Until then, Allegro requires InPost's network to maintain the delivery experience its customers expect. The alternative (forcing customers to travel further for Allegro-branded APMs) risks driving them toward competitors with superior logistics.

*Second, consumers choose their delivery method, and they prefer InPost.* Allegro SMART, the platform's Prime-equivalent membership program, allows shoppers to select their preferred delivery option at checkout and accounts for the majority of Allegro's GMV. For non-SMART transactions, many merchants contract with InPost directly, bypassing Allegro's logistics entirely. Among consumers with choice, InPost holds structural advantages: a decade-plus first-mover advantage in securing premium locations (major retailers often refuse to host Allegro APMs on their premises), a loyalty program with 12.4 million enrolled users, and

superior Net Promoter Scores from both merchants and consumers (even according to Allegro's own data. When Allegro attempted to redirect volumes to its own APM network in early 2025, only 2% of targeted volume actually shifted; consumers actively opted out of Allegro's default to choose InPost.

*Third, operating an APM network without scale is economically punishing.* The unit economics illustrate why Allegro's strategy faces structural headwinds. Both operators face similar installation costs (~PLN 115,000 per machine), but InPost's ability to aggregate volume across dozens of e-commerce merchants versus Allegro's walled-garden approach creates dramatically different outcomes. InPost's machines handle approximately 24,000 parcels annually versus roughly 9,000 for an Allegro APM operating at equivalent utilization, the difference between 97% pre-tax ROIC and negative 33%. Fixed costs (installation, maintenance, site lease) remain roughly constant whether an APM processes 30 or 80 parcels daily, but revenue scales with volume. Allegro cannot escape this math: restricting its network to its own marketplace volumes guarantees sub-scale utilization and value destruction. Meanwhile, InPost's network density enables superior route efficiency: drivers complete more drops per shift when APMs are closer together.

*Fourth, Allegro loses more than InPost if volume migrates.* Allegro currently receives an estimated 30% volume discount from InPost. Diverting parcels to its own network or third-party carriers sacrifices this discount on remaining InPost volume while incurring higher per-parcel costs on diverted volume. The profitability impact on InPost is bounded: when Allegro volumes declined in Q2 2024, InPost's Polish EBITDA margin actually expanded by 200 basis points as lower-margin Allegro volume was replaced by higher-margin merchant volume. Tellingly, Allegro reversed course in Q4 2024, publicly stating it had intentionally shifted volumes back to InPost "to unlock volume discounts," an acknowledgment that the economics of alternatives proved unfavorable.

*Fifth, InPost's revenue base is diversifying away from Allegro.* Non-Allegro merchants have grown at approximately twice Allegro's rate in recent years. This organic diversification reduces concentration risk over time without requiring InPost to take aggressive action. Should Amazon (already a meaningful InPost customer) receive comparable volume pricing, the competitive pressure on Allegro's marketplace would intensify, further limiting Allegro's negotiating leverage.

#### *Net Assessment*

The most likely outcome is a negotiated equilibrium: Allegro continues using InPost's network for the majority of deliveries while operating a supplementary branded network in select locations, perhaps at modestly less favorable contract terms post-2027. Even in a downside scenario where Allegro successfully migrates 30-40% of its volume, the profit impact is partially offset by improved revenue mix and continued growth from other merchants. The Allegro relationship represents a risk worth monitoring, but not the existential threat the market's valuation implies.

## International Expansion

The market appears to be heavily discounting InPost's international operations, with a core concern that competition will prevent InPost from achieving the network density required for profitable utilization. Where InPost established near-monopoly conditions in Poland, competitors in Western Europe have taken notice and are building their own locker fleets. The



UK represents both InPost's largest addressable market and its most competitive battleground. Amazon operates approximately 5,000 lockers, Royal Mail around 1,500 (targeting 2,500 in the near term), and DPD roughly 500, compared to InPost's 12,000. In France, InPost competes with La Poste, which has approximately 3,000 lockers against InPost's 9,000.

Although InPost holds a substantial lead in both markets, the concern is that competitive pressure will cap utilization at levels insufficient for Polish-style profitability. This view, however, fails to account for three important factors: the structural constraints facing competitors, the fact that InPost has already achieved escape velocity through strategic acquisition, and a counterintuitive dynamic where Western Europe's high labor costs actually favor InPost's automated model.

## Competitor Constraints

InPost's primary competitors face operational and strategic constraints that structurally disadvantage them in a land-grab for network density.

Royal Mail and La Poste are legacy postal operators burdened by highly unionized workforces resistant to changes that threaten jobs. Both face the challenge of pivoting to an automated model while managing workforce relations. In a race where the first player to achieve sufficient density creates a self-reinforcing cost advantage, these incumbents are structurally slower than InPost. Royal Mail's locker count of ~1,500 versus InPost's 12,000 illustrates this gap.

Amazon presents a different challenge. Its locker fleet (~5,000 units in the UK) is substantial, but operates as a "walled garden," distributing only Amazon merchandise. While Amazon represents a significant share of the e-commerce market (approximately 30%), this closed-network approach limits utilization. InPost, by contrast, operates as a carrier-agnostic platform, aggregating volume from Vinted, eBay, Temu, Shein, ASOS, and countless smaller merchants. This "aggregator advantage" gives InPost access to roughly 70% of e-commerce volume as its addressable market, enabling it to achieve density faster than Amazon, whose network utilization is constrained by its own retail sales volume alone.

## The Labor Arbitrage Paradox

A less obvious but important factor is that Western Europe's high labor costs are a structural tailwind for InPost, not a headwind. The APM model's primary efficiency gain is labor reduction: one driver serving lockers can deliver upwards of 1,500 parcels per shift, compared to 80–150 for a traditional door-to-door courier. In Poland, where driver wages are lower, this efficiency gap generates meaningful but finite savings. In the UK, where driver costs are 3–4x higher, the cost advantage of InPost's automated model over labor-intensive competitors widens substantially. As wage inflation continues to pressure traditional delivery economics, the gap between InPost's cost base and that of Royal Mail or DPD expands further. This dynamic provides InPost with a structural cost advantage that grows as the macro environment worsens for legacy operators.

## Escape Velocity Through Acquisition

InPost has solved the "cold start" problem in both the UK and France through strategic acquisition, bypassing the slow organic volume ramp-up that typically depresses returns for years during network build-out.

In the UK, InPost's 2025 acquisition of Yodel, a legacy logistics operator, has driven parcel volume from 93 million to approximately 300 million. The strategic logic is straightforward: InPost acquired Yodel primarily for its volume, not its van network. Much, if not all, of Yodel's legacy door-to-door delivery volume can be redirected to InPost's lockers, instantly boosting utilization. InPost's consolidated parcel volume post-acquisition represents nearly half of what the company achieved in Poland during 2024 (709 million parcels). Critically, even prior to the Yodel acquisition, the core UK APM network achieved margins above 20%, indicating that InPost had already reached sufficient network density for profitable utilization at approximately 100 million parcels. Once the Yodel network is fully integrated, utilization should increase and margins expand further. We estimate InPost will require parcel volume of around 400 million to achieve the utilization necessary for approximately 30% EBITDA margins in the UK, which aligns with management's mid-term volume targets.

We expect a similar margin profile for Italy at maturity, given the speed of the locker rollout and consumer adoption trends in that market.

Evidence of operating leverage is already emerging. In Q3 2025, Eurozone Adjusted EBITDA grew 34% year-on-year on revenue growth of 19%, demonstrating that for every unit of new revenue, a disproportionate amount flows to the bottom line as fixed costs are increasingly absorbed.

In France, InPost acquired Mondial Relay, which operates an extensive network of approximately 8,000 PUDO (Pick-Up Drop-Off) parcel shops. The strategic imperative has been to convert this variable-cost PUDO network into a fixed-cost APM network. Under the PUDO model, InPost pays shopkeepers a fee for every parcel handled, meaning costs scale linearly with volume and offer limited operating leverage. With APMs, once lease costs are covered, the marginal cost of the next parcel is negligible. As of Q3 2025, 46% of Eurozone volume now flows to APMs, up significantly from prior periods. However, consumer behavioral changes from PUDOs to APMs have been slower in France than locker adoption in the UK, so we expect InPost will maintain a slightly lower APM utilization profile, supported by its legacy PUDO network. This could drive French EBITDA margins from today's 15% to around 20–25% in the mid-term.

## Mid-Term Margin Expectations

Taking these factors together, we expect InPost's International EBITDA margin to stabilize at approximately 27–29% in the mid-term. While this represents a doubling of the margin from FY2024's 14.6%, it remains significantly below Poland's 46.2%. Competition will prevent InPost from replicating its near-monopoly status internationally. However, margins in the high-20s would still represent exceptional profitability for a logistics business and would transform the International segment from a drag on group margins to a meaningful contributor. Something that the market seems to be discounting today.

## Growth Opportunities

InPost enters its next growth chapter from a position of strength. In 2024, the company delivered 1.09 billion parcels across its network, generating PLN 10.95 billion in revenue (~€2.6 billion, +23.5% YoY) and PLN 3.65 billion in adjusted EBITDA (~€860 million, +33.5% YoY). More significant than these headline figures is the inflection point they represent: for the first time, international volume growth outpaced Poland, signaling the transition from a domestic success story to a pan-European logistics platform.

The investment case now rests on whether InPost can replicate its Polish playbook across Western Europe while managing the natural maturation of its home market. We believe the structural conditions favor continued compounding, with international markets providing the primary growth engine through 2029.

## International Expansion: The Primary Growth Engine

The UK has become InPost's second-home market following transformative M&A. The acquisitions of Yodel and Menzies Distribution vaulted InPost from a niche locker operator handling 93 million parcels to an integrated carrier with a run-rate approaching 300 million parcels annually. This immediately positions InPost as the third-largest independent carrier in the UK, behind only Royal Mail and Evri.

The strategic logic extends beyond scale. By combining locker infrastructure with door-to-door courier capabilities, InPost can now offer retailers a single contract covering both premium home delivery and lower-cost locker options. This prevents merchants from splitting volumes between carriers and creates a more defensible commercial relationship. The UK market offers particularly favorable structural conditions: high labor costs favor InPost's automated model, while locker adoption among younger demographics provides a demographic tailwind that legacy couriers cannot match. Over half of UK Gen Z consumers use lockers monthly, and this cohort's preferences will increasingly shape delivery infrastructure decisions. We expect the UK to approach ~15% market share by 2029, with volumes potentially reaching ~450 million parcels in our base case.

France represents a different growth archetype: margin expansion through network transformation. Mondial Relay entered InPost's portfolio as a low-margin PUDO network reliant on shop-counter pickup points. The thesis centers on converting this legacy infrastructure to higher-margin automated APMs. Progress has been encouraging: APM count in France grew 73% in 2024, while B2C volumes increased 26% as InPost successfully migrated users from C2C marketplace shipments toward e-commerce deliveries. EBITDA margins expanded from 11% to over 17% as locker density improved unit economics. We project France can reach 20-25% margins by 2029 as APM volume share overtakes PUDO, with the 2025 launch of door-to-door services expanding the addressable market beyond the out-of-home segment.

Italy and Iberia represent hyper-growth opportunities from nascent bases. Italy delivered 41% volume growth in 2024, making it InPost's fastest-growing major market. The structural parallels to Poland a decade ago are striking: low locker penetration, high failed-delivery rates for home couriers, and rising e-commerce adoption. The network doubled to 3,200 lockers in 2024 with substantial runway remaining. The acquisition of Sending in Spain mirrors the UK strategy, adding courier capabilities to the existing 3,000-APM network and enabling credible competition against Correos and DHL for integrated delivery mandates.

## Adjacent Revenue Streams

Beyond parcel delivery, InPost is constructing a digital ecosystem designed to increase switching costs for merchants and consumers. InPost Pay, with 9 million registered users and 2,400 merchant integrations, offers one-click checkout that defaults to InPost delivery, removing friction while locking consumers into the network. The loyalty program has enrolled 12.4 million users, incentivizing heavy users to select InPost at checkout to accumulate rewards. Returns-as-a-service capitalizes on fashion e-commerce's high return rates through

label-free QR-code processing, making InPost the preferred partner for platforms like Vinted and ASOS.

These revenue streams remain nascent but carry near-100% incremental margins. We estimate adjacencies could contribute PLN 520-1,500 million (€120-350 million) annually by 2029 depending on execution, representing 2-5% of group revenue.

## Poland: From Hyper-Growth to Cash Engine

Poland has transitioned from growth driver to cash generation engine. Volume growth has moderated to approximately 10%, largely mirroring the broader e-commerce market. With over 27,000 APMs blanketing most population centers, the network approaches saturation in prime locations. The era of 20%+ domestic growth is behind us.

The Allegro relationship, while a legitimate monitoring point, has demonstrated remarkable consumer stickiness. This validates the network's utility status. Meanwhile, non-Allegro volume from SMEs and other marketplaces continues growing at twice Allegro's rate, naturally diluting concentration risk while revenue growth outpaces volume growth through pricing power.

## Risks

InPost's risk profile centers on a fundamental tension: the company relies on a maturing, cash-generative Polish franchise to fund capital-intensive expansion into Western Europe. The primary investment risk is that the Polish cash engine deteriorates faster than the international growth engine can scale to profitability. We address each component of this tension in turn.

### The Allegro Relationship

As discussed in our investment thesis, Allegro represents approximately 15% of revenue and 25% of marginal EBITDA. The relationship has become adversarial, with InPost initiating arbitration seeking PLN 2.3 billion in damages for alleged contract breaches. We have outlined why we believe the market overestimates Allegro's ability to reduce InPost dependence: the unit economics of sub-scale locker networks, consumer preference data, and Allegro's own Q4 2024 decision to shift volumes back toward InPost all support our view.

However, we acknowledge what would make us wrong. If Allegro achieves sufficient network density by the 2027 contract expiration to credibly serve the majority of its volumes internally, InPost could face meaningful volume loss precisely when the relationship comes up for renegotiation. The current legal dispute suggests limited goodwill between the parties. Even if InPost retains volume, Allegro's alternative network erodes pricing power; Allegro has already characterized InPost as its "most expensive" provider. A more severe outcome than we anticipate would materially impact Polish profitability and, by extension, the company's capacity to fund international growth.

Beyond Allegro, state-controlled Orlen has built approximately 12,500 pickup points including lockers, creating credible alternative infrastructure. Amazon maintains a modest Polish locker presence that could expand. While neither represents an immediate threat, further fragmentation would cap pricing power over time.

## International Execution

Our investment thesis argues that InPost has achieved escape velocity in the UK through the Yodel acquisition and demonstrated improving unit economics across its European footprint. The bear case rests on two scenarios we believe are unlikely but cannot dismiss.

First, consumer adoption may stall. Lockers are not yet the cultural default in the UK or Italy as they are in Poland. If behavioral change proves slower than anticipated, InPost will be left with expensive infrastructure that never reaches the utilization tipping point required for profitability. The French experience provides partial reassurance (locker volumes grew 81% year-on-year in Q4 2024), but extrapolating Polish adoption curves to Western Europe remains an unproven bet.

Second, integration risk is real. Yodel and other European acquisitions introduce labor-intensive courier operations into InPost's asset-light model. Yodel alone brings approximately 10,000 couriers and a fleet requiring active management. The strategic logic (acquiring volume to boost locker utilization) is sound, but execution carries risk. Cultural clashes, service disruptions, or management distraction could delay the margin expansion we anticipate. Managing a door-to-door courier network is fundamentally different from managing locker infrastructure, and there is a risk that the lower-margin courier business dilutes the group's financial profile rather than feeding the higher-margin APM network as intended.

## Capital Allocation

InPost has committed to approximately PLN 2.1 billion in annual capex through 2029, a roughly 50% increase over 2024 levels. This capital is being deployed into markets with less proven returns than Poland offered during its build-out phase. While we view this as an exciting opportunity, the bear case must be acknowledged. If international volumes disappoint, this investment becomes stranded: lockers installed in locations that never achieve payback. The risk of "digging dry wells" is structurally higher in competitive Western markets than it was in Poland, where InPost faced minimal opposition during its formative years.

The balance sheet provides cushion but not unlimited flexibility. Net leverage stood at approximately 2.0x EBITDA in 2024, manageable under current conditions. However, the combination of elevated capex, acquisition financing, and potential EBITDA pressure from Allegro creates a narrower path than the headline leverage suggests. Fitch has indicated that leverage sustained above 2.3x could trigger negative rating actions. Additionally, InPost's Euro-denominated debt creates currency exposure: Polish Złoty depreciation would increase the debt burden relative to PLN-denominated Polish cash flows.

## Regulatory Tail Risks

While operational risks take precedence, regulatory headwinds bear monitoring. In Poland, the sheer density of lockers has triggered backlash against "visual pollution," with proposals to cap installations or require stringent permitting. Such measures could freeze network growth, locking in current saturation while allowing competitors to close the gap. In the UK, local councils have ordered removal of lockers installed without planning permission, citing traffic and nuisance concerns. This regulatory friction increases deployment costs and slows the network flywheel.

A less obvious risk involves the anonymity inherent in locker collection. In 2024, authorities intercepted 500 kilograms of drugs in InPost parcels. If this narrative gains political traction, regulators could impose security requirements (identity verification, parcel scanning) that would destroy the friction-free experience underpinning consumer adoption.

## Net Assessment

The risks are real but, in our view, adequately compensated by the current valuation. The market appears to price a scenario where Allegro successfully disintermediates and international expansion fails to reach profitability, essentially valuing InPost as a deteriorating Polish franchise with limited optionality elsewhere. We believe this underweights the structural advantages discussed in our thesis while overweighting competitive threats that have already been tested and found wanting. The risks warrant ongoing monitoring, but they do not, in our assessment, justify the discount embedded in the current share price.

## Valuation

We value InPost using a discounted cash flow analysis, grounding our assumptions in the operational thesis developed throughout this report. Rather than present a single point estimate, we model both a base case reflecting our expectations and a bear case reflecting the market's apparent concerns. The contrast between these scenarios illuminates where we believe the market has mispriced the opportunity.

### Base Case: Executing on the Thesis

Our base case assumes InPost delivers on the growth trajectory outlined in our analysis: 17% annual revenue growth through 2029, driven primarily by international expansion while Poland contributes modest single-digit growth. This represents a significant deceleration from the 46% revenue CAGR achieved over the prior five years, reflecting Poland's maturation and the reality that international markets, while growing rapidly, start from a smaller base.

We expect operating margins to expand from approximately 16% in 2025 to 21.5% by 2029. This improvement reflects two dynamics discussed in our international expansion analysis. First, as locker networks in the UK, France, and Italy achieve greater utilization, fixed costs are absorbed across a larger parcel base, generating operating leverage. Second, the mix shift toward higher-margin APM volumes (versus lower-margin PUDO and courier operations) should improve the blended margin profile. The Q3 2025 result, where Eurozone EBITDA grew 34% on 19% revenue growth, provides early evidence of this operating leverage materializing.

Depreciation and amortization declines modestly as a percentage of revenue, from approximately 13% to 11% over the forecast period. The logic is straightforward: depreciation per locker is essentially fixed once installed, while revenue per locker increases as utilization improves. As the network matures and each machine processes more parcels, depreciation becomes a smaller share of the revenue generated.

Capital expenditure follows an elevated trajectory in the near term (approximately 12% of revenue in 2025) before moderating to 10% by 2029. This reflects the aggressive expansion phase currently underway in the UK, France, and Italy. As network density approaches target levels and the rationale for incremental APM deployment diminishes, capex intensity should normalize. Management's stated investment plans through 2029 support this trajectory.



For the terminal value, we apply a 10x EV/EBITDA multiple. InPost's historical trading range (excluding the pandemic-era IPO exuberance) spans roughly 10x to 26x, with a mean around 18x. Our 10x assumption implies no multiple expansion from current depressed levels, a conservative stance given that successful execution on our thesis would likely warrant a higher multiple as the market gains confidence in international profitability. We use a 12% discount rate, reflecting InPost's equity risk profile as a growth company with meaningful execution risk in new markets.



Figure 1 InPost's EV/EBITDA multiple since IPO

Under these assumptions, InPost reaches approximately PLN 24 billion in revenue and PLN 7.8 billion in EBITDA by 2029. Discounting the interim free cash flows and terminal value back to present, we arrive at an enterprise value of €12.98 billion. Subtracting net debt of €2.014 billion yields an equity value of €10.963 billion, or approximately **€21.95 per share**. Against a current market price of €10.06, this implies the shares trade at a **54% discount to our estimate of intrinsic value**.

Base Case DCF Assumptions					
	2025	2026	2027	2028	2029
Revenue Growth	17.0%	17.0%	17.0%	17.0%	17.0%
Operating Margin	15.7%	17.8%	19.5%	20.6%	21.5%
Effective Tax Rate	23.0%	23.0%	23.0%	23.0%	23.0%
Depreciation & Amortization (as % of Revenue)	12.8%	12.3%	11.8%	11.4%	11.0%
CAPEX (as % of Revenue)	12.0%	11.5%	10.0%	10.0%	10.0%
EV/EBITDA Valuation Multiple at Exit	10.00x				

Base Case - DCF Forecast						
(millions, Polish Zloty)	2025	2026	2027	2028	2029	Exit
Revenue	12,776	14,948	17,489	20,462	23,941	
Operating Income	2,006	2,661	3,410	4,215	5,147	
Less: Cash Taxes	461	612	784	970	1,184	
NOPAT	1,545	2,049	2,626	3,246	3,963	
Plus: Non-cash items (Depreciation & Amortization)	1,635	1,839	2,064	2,333	2,634	
EBITDA	3,641	4,499	5,474	6,548	7,781	
Less: CAPEX	1,533	1,719	1,749	2,046	2,394	
<b>Unlevered FCF</b>	<b>1,647</b>	<b>2,168</b>	<b>2,941</b>	<b>3,532</b>	<b>4,203</b>	<b>77,809</b>
<b>Intrinsic Value</b>		<b>Market Value</b>		<b>Rate of Return</b>		
Enterprise Value (EUR)	€ 12,977	Market Cap (EUR)	€ 5,025	Current Share Price	€ 10.06	
Net Debt	€ 2,014	Net debt	€ 2,014	Intrinsic Value Per Share	€ 21.95	
Equity Value	€ 10,963	Enterprise Value	€ 7,039	Discount	54%	

**Intrinsic Value/Share € 21.95**

**Current Share Price € 10.06**

## Bear Case: The Market's Implicit Assumptions

To stress-test our thesis, we model a scenario where the risks materialize largely as the market fears. Revenue growth slows to 8% annually (an 83% reduction from the prior five-year CAGR), reflecting a combination of Allegro volume loss in Poland and sluggish international adoption. Operating margins plateau at approximately 15.7% rather than expanding, as competitive pressure and sub-scale international operations prevent the margin improvement we anticipate. We apply an 6.5x terminal multiple, materially lower than the lowest valuation at which InPost has ever traded. This reflects a market that views the company as an ex-growth logistics operator rather than a compounding infrastructure platform.

Under these assumptions, 2029 revenue reaches only PLN 14 billion with EBITDA of PLN 4.6 billion. The resulting enterprise value falls to €5.7 billion. After deducting the same net debt, equity value is €3.7 billion, or approximately **€7.40 per share**, representing approximately 26% downside from current levels.



Bear Case DCF Assumptions					
	2025	2026	2027	2028	2029
Revenue Growth	8.0%	8.0%	8.0%	8.0%	8.0%
Operating Margin	15.7%	15.7%	15.7%	15.7%	15.7%
Effective Tax Rate	23.0%	23.0%	23.0%	23.0%	23.0%
Depreciation & Amortization (as % of Revenue)	12.8%	12.8%	12.8%	12.8%	12.8%
CAPEX (as % of Revenue)	12.0%	11.5%	10.0%	10.0%	10.0%
EV/EBITDA Valuation Multiple at Exit	6.50x				

Bear Case - DCF Forecast							
(millions, Polish Zloty)		2025	2026	2027	2028	2029	Exit
Revenue		11,793	12,737	13,756	14,856	16,045	
Operating Income		1,852	2,000	2,160	2,332	2,519	
Less: Cash Taxes		426	460	497	536	579	
NOPAT		1,426	1,540	1,663	1,796	1,940	
Plus: Non-cash items (Depreciation & Amortization)		1,510	1,630	1,761	1,902	2,054	
EBITDA		3,361	3,630	3,920	4,234	4,573	
Less: CAPEX		1,415	1,465	1,376	1,486	1,604	
Unlevered FCF		1,520	1,705	2,048	2,212	2,389	29,723
Intrinsic Value		Market Value		Rate of Return			
Enterprise Value (EUR)	€ 5,712	Market Cap (EUR)	€ 5,025	Current Share Price		€ 10.06	
Net Debt	€ 2,014	Net debt	€ 2,014	Intrinsic Value Per Share		€ 7.40	
Equity Value	€ 3,698	Enterprise Value	€ 7,039	Potential Downside		-26%	
Intrinsic Value/Share	€ 7.40	Current Share Price	€ 10.06				

## What the Valuation Tells Us

The contrast between our scenarios reveals an asymmetric risk-reward profile that favors patient investors.

In our base case, the shares trade at a 54% discount to intrinsic value, implying the market is pricing InPost as though international expansion will contribute nothing and Polish margins will deteriorate meaningfully. We believe this substantially underweights the evidence. The UK core network achieved profitability above 20% margins prior to the Yodel acquisition. France has demonstrated 81% locker volume growth and expanding margins. Consumer adoption trends across Western Europe support the thesis that out-of-home delivery is gaining structural share. And as we detailed in our investment thesis, Allegro's actual attempts to divert volume have largely failed, with less than 2% of targeted parcels shifting away from InPost.

Even under our bear case (which assumes revenue growth collapses to 8% annually, margins plateau rather than expand, and the market assigns a trough multiple typically reserved for structurally challenged businesses), the shares would be worth approximately €7.40, representing roughly 26% downside from current levels.

The asymmetry is notable. If our base case proves correct, shares offer over 100% upside. A more optimistic scenario (faster international margin expansion, successful Allegro contract renewal, or multiple re-rating as the market gains confidence) could yield substantially higher

returns. Against this, even a scenario where nearly everything goes wrong limits downside to roughly a quarter of today's price.

This is precisely the setup value investors seek: meaningful upside against bounded downside. The margin of safety may be thinner than in some deep-value situations, but the quality of the underlying business (dominant market position, proven unit economics, founder-led management) provides compensation. The current price embeds significant pessimism; investors are being paid to take the other side of that bet.

## Conclusion

The market currently prices InPost as a localized logistics operator facing competitive headwinds. Our analysis suggests this view is fundamentally flawed. InPost has transcended the role of a simple courier to become essential e-commerce infrastructure, a platform where **density acts as a strong moat**.

The data demonstrates that the "Polish Playbook" is not an anomaly, but a replicable economic model. As the UK and France cross the profitability threshold, the company moves from a single-engine growth story to a pan-European compounder. The skepticism surrounding "locker saturation" or "competitor entry" ignores the brutal mathematics of the last mile: volume gravitates to the densest network, and the densest network has the lowest unit costs. InPost has already won this race.

At **€10.06**, investors are presented with a rare asymmetry. The market is effectively pricing in a permanent stagnation of international growth. However, our Base Case (grounded in conservative margin expansion and visible volume trends) points to an intrinsic value of **€21.95**.

Even in a Bear scenario where growth collapses to single digits, the high-margin nature of the mature Polish network provides a valuation floor of **€7.40**, limiting downside risk to approximately **26%**. We view this as a highly favorable trade: the opportunity to buy a dominant infrastructure asset at a discount, with a 4:1 risk-reward skew in favor of the upside.