

Strategic Outlook

Strategic context and market environment

Over the last few years, our growth has been driven by our international and domestic express business, representing approximately 70% of group revenues, while the logistics and freight business contributed approximately 30% to group revenues. The international express product benefitted from e-commerce volumes from the US, UK and Asia into the Middle East and Africa, while growth in the domestic express product came from our home markets in the region, also driven by the boom in e-commerce. While we expect a continuing positive macro-outlook in this part of our business, Aramex is currently at an inflection point in its journey of growth.

2022 came with a set of global challenges and changes for our industry and the global business landscape at large. Aramex had to navigate a dynamic macro-economic environment, raising inflation and interest rates, as well as currency devaluation in certain markets. Our resilient performance in 2022 was supported by strong economic activity in our home markets in the Middle East – which also contributed to good demand in our outbound markets in the US and UK – bolstered by improving consumer sentiment and an increase in business activity, noting that GDP projections for our home markets remain attractive going forward.

While borders reopened and travel resumed to near pre-pandemic levels globally, lockdowns prevailed in certain markets such as China, impacting trade and supply chains. Unsurprisingly, our customer requirements are evolving in this dynamic operating environment, and their logistics and transportation needs are changing accordingly.

We therefore see a considerable opportunity in the market to diversify our business and leverage our strengths in the domestic and international express business, while further growing our freight and logistics operations across our network.

Furthermore, our integrated offering across these four products is a distinct competitive advantage and a unique end-to-end service capability in many of our key markets. This model provides cross selling opportunities for Aramex, with many customers looking for a partner with both express and logistics capabilities, or freight and warehousing capabilities, while others prefer to break down the supply chain and require bespoke and tailored solutions.



- Throughout 2022 we strengthened our four products, with more focus and investment in resources, capabilities and systems.
- We are a large domestic express player in key markets across MENA, South Africa, Australia and New Zealand, with a focus on further increasing market share to reach a dominant position in key growth markets.
- As a cross border specialist, we offer international express services in the Middle East and Africa (inbound regions), connecting these regions to important trade lanes out of the US, Europe, China, and Hong Kong (outbound regions). We also have a large international express operation intra-GCC and the wider MENA region.
- Our rapidly expanding freight forwarding services across air and sea freight are operational on lanes including Europe/US to Middle East and Africa; and land freight intra GCC and MENA, as well as Ireland to UK. We are focused on industrials, retail, e-commerce and healthcare verticals.
- The Logistics business consists of warehousing and supply chain solutions across key markets, boasting 800,000 sqm in facilities catering to customers in high growth verticals including e-commerce and retail, industrials and healthcare.



We aim to complement organic growth through selective acquisitions and partnerships that can add scale and know-how and help us consolidate our position in key markets while adding synergistic value.

Strategy in Focus

To maintain success and overall competitiveness, we conducted a rigorous companywide exercise in 2022 through several workshops and customer engagement sessions to recalibrate our strategy to propel Aramex forward and realize our growth aspirations. As part of this strategic review, we have identified several key focus areas that we have started to work on throughout 2022, and which are integral to our five-year strategic plan to 2027.

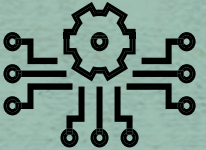


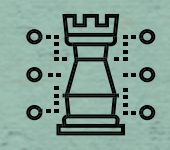

- Developing four strong products with dedicated resources and capabilities, by moving from an express driven organization to a more balanced portfolio of products with strong positioning across key markets.
- Increasing the focus on direct customers, SMEs, and B2B business as well as high margin verticals.
- Introducing new service offerings and products, including (but not limited to)
 - o Premium and Deferred services for International Express
 - o Same day and Next Day delivery for Domestic
 - o Micro-fulfillment and vertical specialization for Logistics, while doubling the warehousing space to accommodate the expected growth in business. Please see page 34.
 - o Vertical diversification and specialization for Freight with a strong focus on Industrial, Retail, and Pharma.
- Investing approximately USD 650 million over 5 years in CAPEX in our four products to drive our growth ambitions, improve IT & digital touchpoints, build high margin verticals, and strengthen competitiveness on key trade lanes and markets, with continuous ability to scale for growth.
- Expanding selectively into attractive growth markets, including via M&A and franchising, with a focus on leading the industry consolidation in the GCC/MENAT region where possible.
- Improving efficiency across all areas of operation by focusing on key initiatives to drive productivity, eliminate redundancy, and optimize and streamline processes.

Key Enablers

To be successful in realizing our efforts towards our strategy, we have commenced working toward further developing key enablers that ultimately form the foundation on which we will build our strategic aspirations.

Technology Strategic goals

On the technological side, our focus will be on the following:

 <p>New Technology Revenue & Capabilities</p>	 <p>Core Technology Modernization</p>	
 <p>Redefining Customer Journey</p>	 <p>Operational Efficiency</p>	 <p>Future-proofing Innovation</p>

For more information, please refer to page 59.

Human Resources Strategic goals:

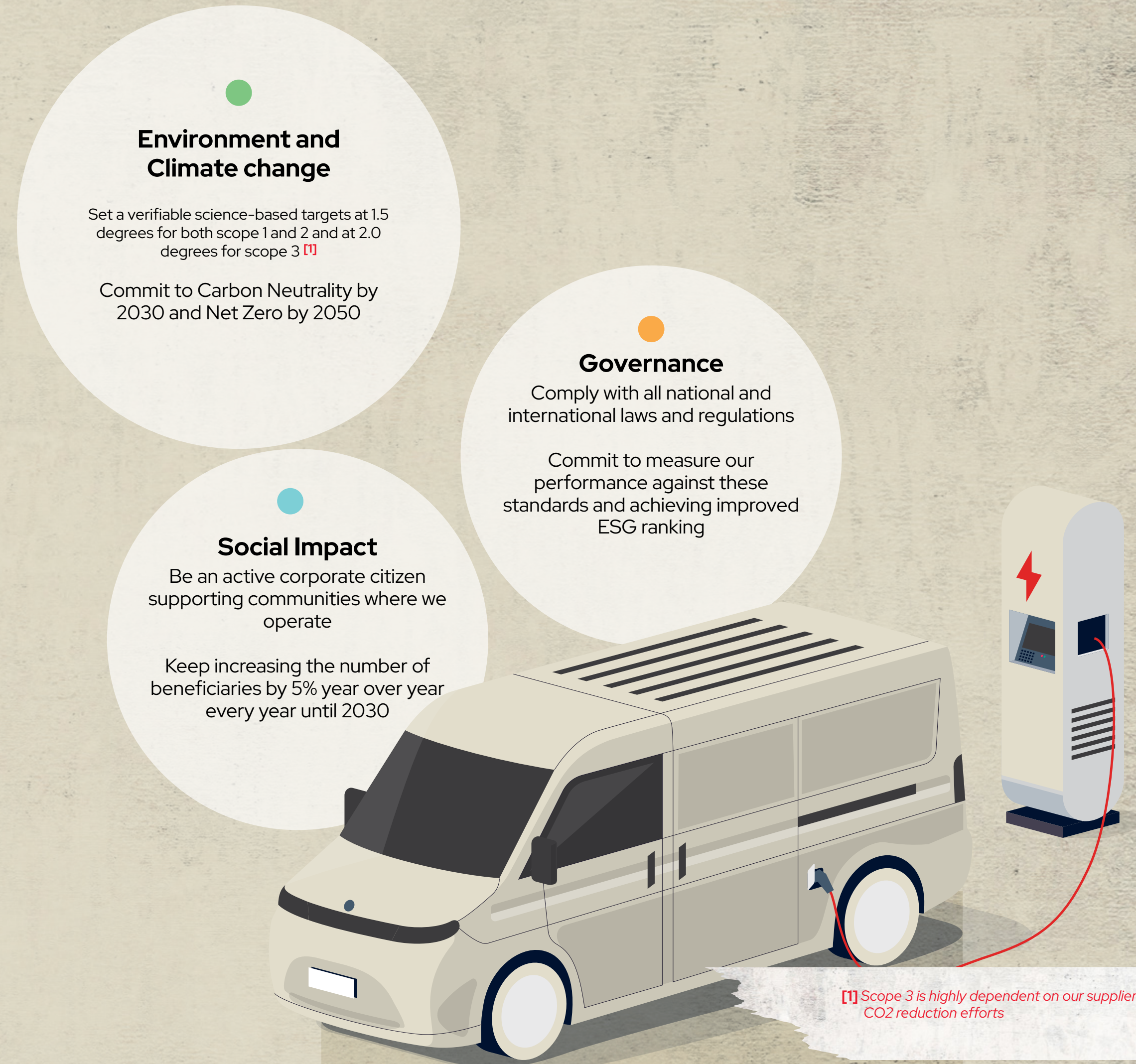
Effectively managing our Human Capital is another key strategic enabler, our goals for 2023–2027 are:

<p>Strengthen and build our Talent Pipeline</p> <hr style="width: 50%; margin: 10px auto;"/> <p>Fit for today & future - learning and development tools</p>	<p>Drive a High-Performance Culture</p> <hr style="width: 50%; margin: 10px auto;"/> <p>Manage efficiency, drive productivity</p>	<p>Improve Compensation & Benefits Offering</p> <hr style="width: 50%; margin: 10px auto;"/> <p>Employee Engagement & Culture</p>
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For more information, please refer to page 50.

Sustainability and ESG goals

We recognize that our sustainability is a key enabler to achieving the above strategic goal, with that in mind, and driven by a keen understanding of current global challenges, ESG requirements, and responsible business practices, we have outlined the below sustainability strategic goals:



Environment and Climate change

Set a verifiable science-based targets at 1.5 degrees for both scope 1 and 2 and at 2.0 degrees for scope 3 [1]

Commit to Carbon Neutrality by 2030 and Net Zero by 2050

Social Impact

Be an active corporate citizen supporting communities where we operate

Keep increasing the number of beneficiaries by 5% year over year every year until 2030

Governance

Comply with all national and international laws and regulations

Commit to measure our performance against these standards and achieving improved ESG ranking

[1] Scope 3 is highly dependent on our suppliers' CO2 reduction efforts

Our Future Goals- 2023 and beyond

Economic

- Focus on revenue growth, stability and improvement in GP margins while maintaining a similar SG&A structure for the Group
- Invest USD 650 million in capex over the next five years to sustain organic business expansion and optimization
- Focus on value accretive acquisitions, adding topline growth, synergy values to our operations and driving ROIC improvement for the Group
- Enhance efficiency across the Group, through automation of facilities and processes, increase in courier productivity by reducing the driver area and increasing the PUDO network; as well as an optimized working capital.
- Prioritize spending on local suppliers in line with our aspiration to enhance our sustainable supply chain efforts



Environment

- Add five solar systems annually until 2030
- Continue introducing EVs into our fleet
- Reduce Aramex carbon emissions by 5% annually
- Expand ISO14001 certification.
- Implement Aramex Climate Risk framework from Climate Risk Assessment outcome



Social

- Maintain or increase ratio of female employees to 50% at Corporate Head Offices
- Achieve Nationalization targets (2% for UAE and 29% for KSA)
- Reduce the Lost time injury frequency rate (LTI) by 5%
- Continue to focus on local talent development and hiring
- Continue the annual employee survey and target an increase in participation rate (at 82% in 2022) and overall satisfaction score (at 75% in 2022)
- Increase the number of community beneficiaries by 5% annually.



Governance

- Increase or maintain 1-2 positions of female representation on the board.
- Continue enhancing our Risk Management and Compliance processes.
- Enhance corporate policies and frequency of employee training on compliance matters
- Conduct our second Human Rights Assessment in 2023

