

aramex

INVESTOR PRESENTATION

Q2 2022 RESULTS



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Aramex Overview | Aramex is a Global Provider of comprehensive Logistics and Transportation Solutions



16,000+
Employees



65+
Countries



600+
Offices



AED 1.5
Billion Revenues
at Q2 2022



AED 5.6
Billion Market Cap
at 30 June 2022

International Express

With Aramex International Express, sending time-sensitive documents or packages is prompt, convenient and easy.

Domestic Express

We understand that delivering from one side of the country to another requires efficiency and reliability of global standards and local operations that continually strive for excellence.

Freight forwarding

Whether by sea, air or land, Aramex Freight provides the facilities and expertise for seamless and streamlined operations.

Logistics & Other

As a global logistics and transportation solutions provider, Aramex will help simplify customers' operations with cost effective and comprehensive solutions.

NORTH AMERICA

United States of America
Canada

EU
Czech Republic
Ireland
Netherlands
United Kingdom

MENAT

Algeria
Egypt
Georgia
Iran
Iraq
Jordan
Lebanon
Libya
Morocco
Palestine
Sudan
Tunisia
Turkey

SUB-SAHARAN AFRICA

Ghana
Kenya
Nigeria
Tanzania
Uganda
South Africa

GCC
Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
United Arab Emirates

SOUTH ASIA

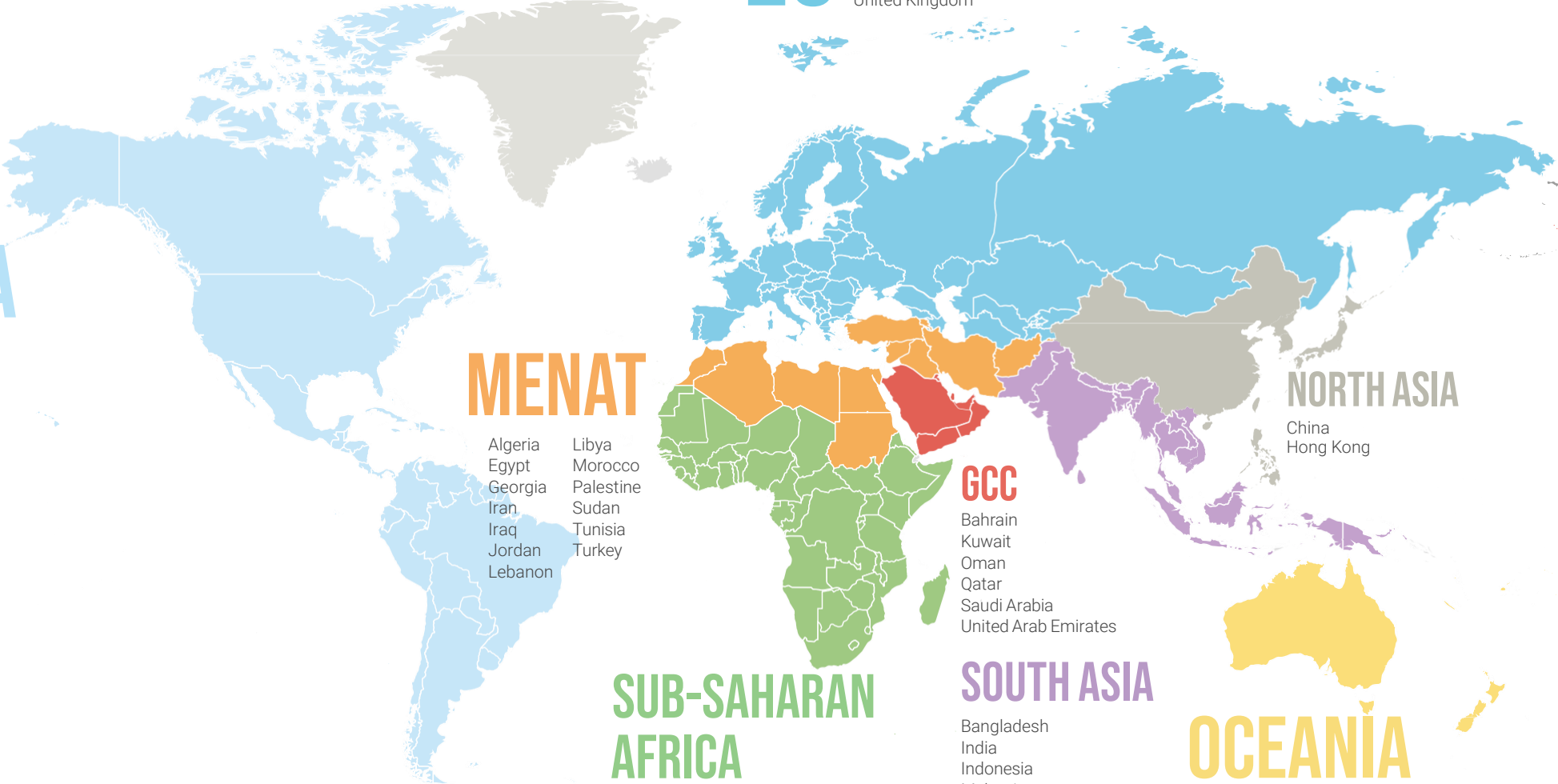
Bangladesh
India
Indonesia
Malaysia
Singapore
Sri Lanka
Thailand

NORTH ASIA

China
Hong Kong

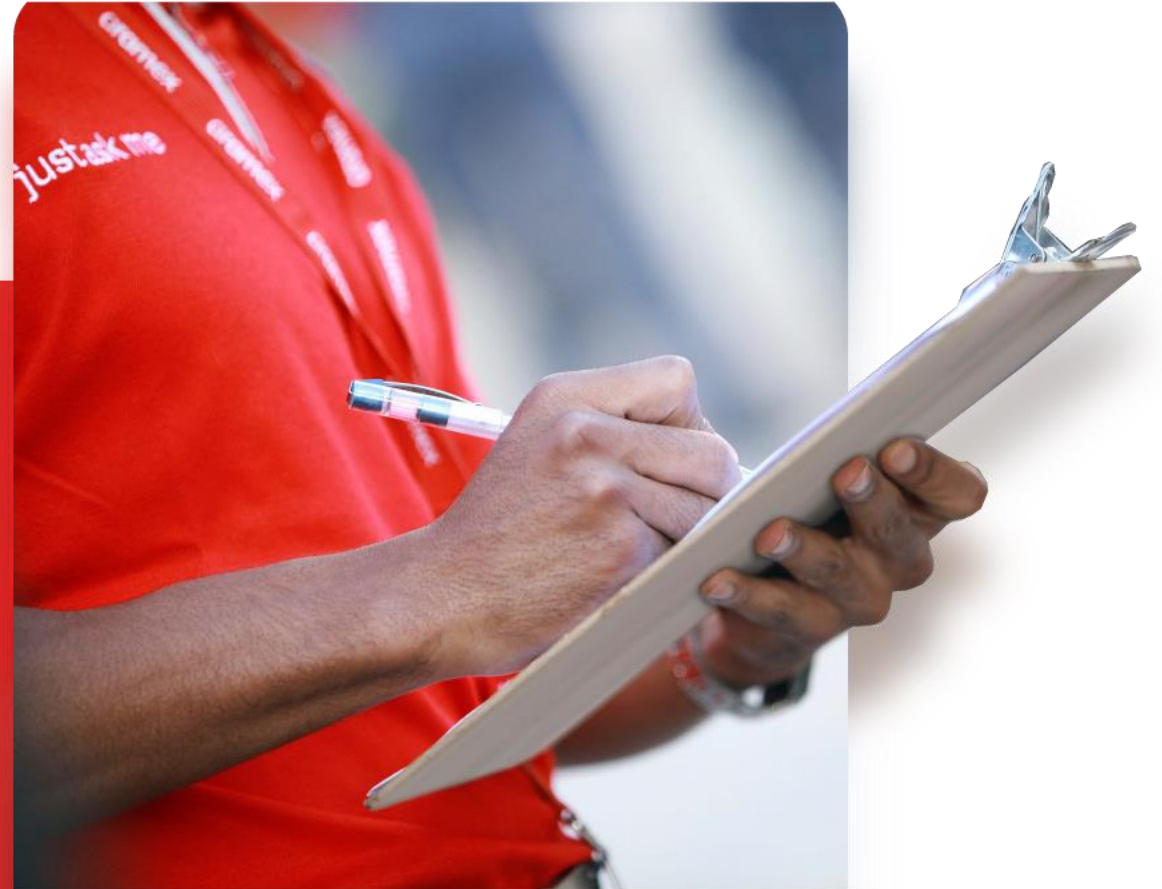
OCEANIA

Australia
New Zealand



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Q2 2022
Results
Highlights



Grow the Freight and Logistics business

- 32% growth in FF and 3% growth in Logistics in Q2 2022. On track with our stated target to grow this business to account for 50% of total group revenues. It currently stands at 36%, up from 28% in Q2 2021
- Additional business is anticipated from key trade lanes in/out of Europe/North Africa into the GCC and Middle East
- Our utilization of facilities has reached 85% in our key markets. Automation rollout is on track
- Systems are being optimized to drive operational efficiency; enhanced sales and operational teams with product specialists
- We are positioning FF and Logistics for long term sustainable growth.

Drive quality revenue & operational efficiency for Express

- Express premium and deferred service offering rollout continues on key lanes
- Enhanced the returns product, including a paperless returns option
- Operational efficiency continues through automatization of warehouses, AI solutions across the entire life cycle, and scaling up presence for a more efficient last mile operation through PUDOs, SPOTs and FLEET (crowdsourcing)
- Route optimization and reducing a driver's density area remain a key priority
- Finance strategy focused on right sizing SG&A and optimizing tax.

Smart and flexible Technology infrastructure

- Aramex successfully renewed its PCI DSS and ISO 27001 certification – the global gold standard in security and protection of sensitive customer data
- Other Q2 highlights include the roll out of more sorters in high volume markets in Egypt and Qatar for increased operational efficiency and streamlining global clearance via digitalizing the KYC process for faster processing time
- New digital strategy will optimize internal systems to support business priorities globally and locally with an improved target operating model and supporting tools. Key opportunity lies in enhancing consumer satisfaction by addressing Aramex's "Total Experience" across digital touch points end – end.

MyUS: largest acquisition to date

- Currently engaged in multiple transactions at different stages of the life-cycle
- Announced MoU with MyUs, a cross border e-commerce enabler in June 2022. MyUS is complementary to Aramex's business and will provide both companies coverage in new origins and destinations
- For a cash purchase price of approximately USD \$265 million, the MyUs acquisition is expected to be completed in Q3 2022, making it the largest acquisition in Aramex's history.
- A value accretive deal for Aramex and shareholders.

Other corporates highlights

- Change in shareholder structure in June 2022, with Geopost increasing its equity stake in Aramex to 28% ownership. Abu Dhabi Ports continues to hold 22% ownership
- Following the AGM held in April 2022, Aramex distributed AED 0.13 dividends per share in May 2022, for the fiscal year 2021, representing a dividend payout ratio of 84%.

ESG Highlights | Aramex will closely monitor how its operations affect the flow of capital and interact with greater economic, social and environmental systems



We comply with the following international standards and strategies:

- UN Sustainable Development Goals
- United Nations Global Compact Principles
- Paris Agreement on Climate change
- And others



Climate

- In line with the UN SDG's and the Paris Agreement, **we are committed to Carbon Neutrality by 2030 and Net Zero by 2040**
- Thus we are setting a verifiable science based **targets at 1.5 degrees for both scope 1 and 2** (42% reduction in emissions by 2030 vs. 2020) and at **2.0 degrees for scope 3** (25% reduction in emissions by 2030 vs. 2020)



Social Impact

- Being an active corporate citizen Aramex has always been part of the communities it is operating in
- Aramex managed to reach **more than 1 million beneficiaries in 2021**, through different programs that are implemented in partnership with various international and national entities
- Our **goal is to keep increasing this number by 5% year over year** every year until 2030



Governance

- The multi-stakeholder nature of our business imposes on us to comply with all national and international laws and regulations
- A major focus is placed on the Human and Labor Rights related issues where **we commit to embed all the HR principles in our business processes and training of our staff as well as stakeholders**
- **We commit to measure our performance against these standards**



Four well-defined business products offer scale, diversification and an end-to-end service offering for customers, underpinned by a 40-year track record of successful operations.

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express

aramex
LOGISTICS

aramex
DOMESTIC

aramex
FREIGHT

62% of Revenue

36% of Revenue



Product diversification

A leading transportation player, with domestic and cross border expertise, as well as freight services across air, land and sea. Our Logistics business is leveraged strategically across our infrastructure to increase customer stickiness through supply chain services and 800k+ sqm in facilities across key markets in the Middle East and Africa.



Competitive advantage

Our end-to-end service offering – across courier express, freight, warehousing and supply chain – is a distinct competitive advantage and a unique capability in many of our key markets. This integrated approach is valuable for our clients and is allowing them to benefit from our total transportation offering across all sectors.



Growth prospects

Well-positioned to capture growth at a higher rate than the market, through expansion of trade lanes, and exposure to high growth verticals in emerging markets with solid GDP projections, where we have the right capabilities to win.



Unlocking value

Operational efficiency and investments in state-of-the-art technologies are unlocking value and are a key profitability driver. Enhancements of our digital systems, automation and AI driven business decisions are fully integrated in our business strategy.



Strategic shareholders

Strategic shareholders provide opportunities. Aramex has two strategic shareholders, Geopost / DPD and Abu Dhabi Ports that provide partnership opportunities for all product lines.

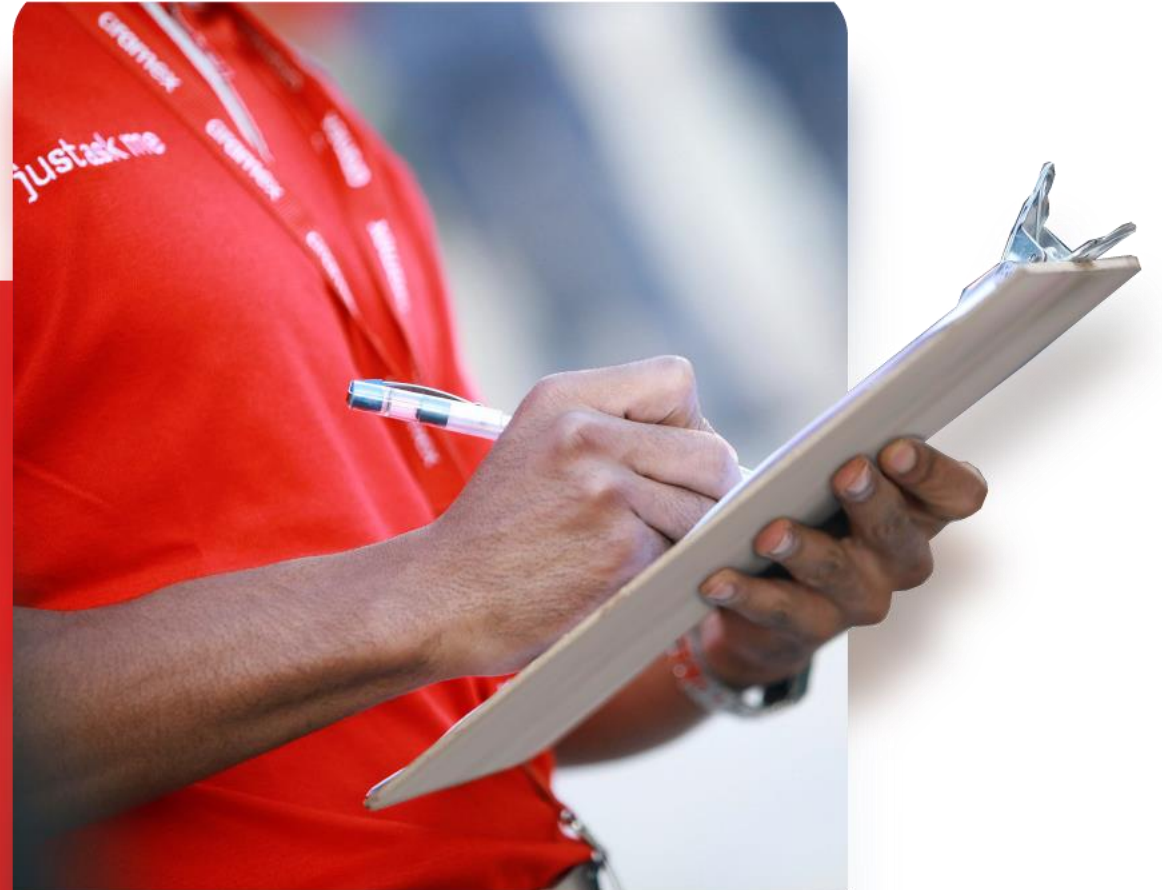


Inorganic growth

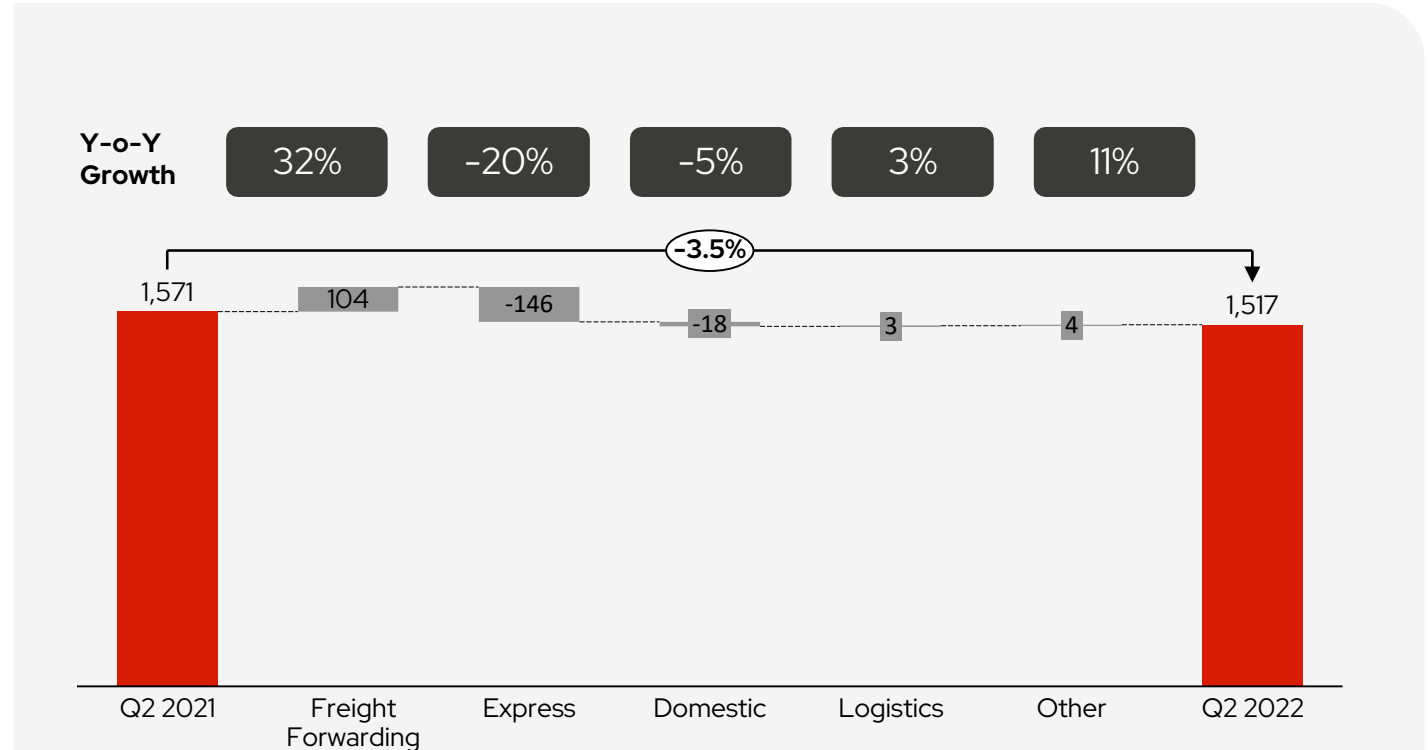
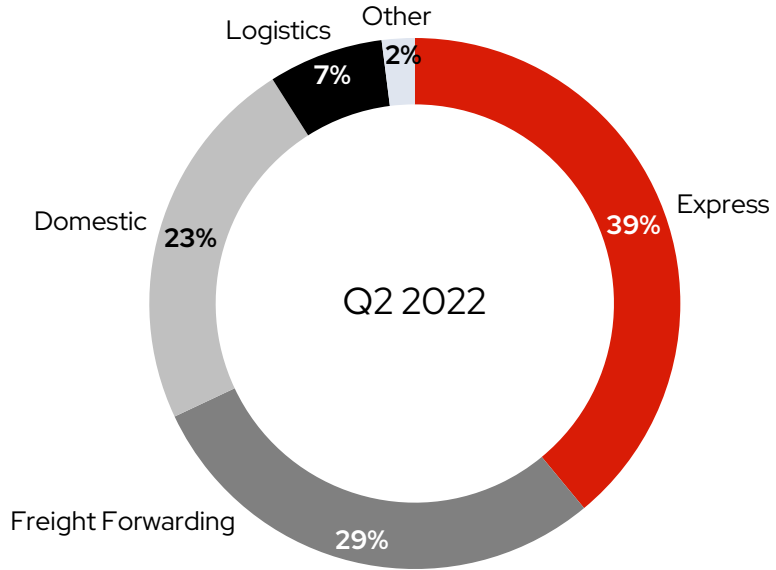
The under-gearred balance sheet is a source of value. In an industry where economies of scale are important, value accretive acquisitions will be transformational for Aramex and the source of significant earnings accretion.

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Group Financial Results

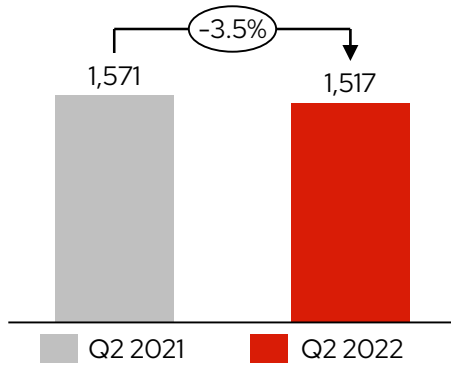


Revenues by Segment (AED m)

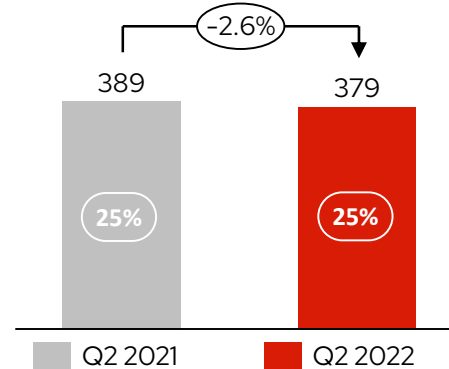


Financial & Performance Highlights | Group Highlights

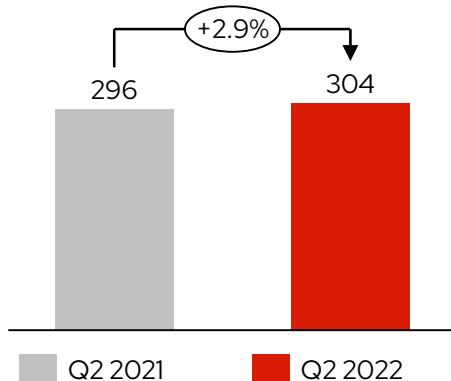
Revenue (AED m)



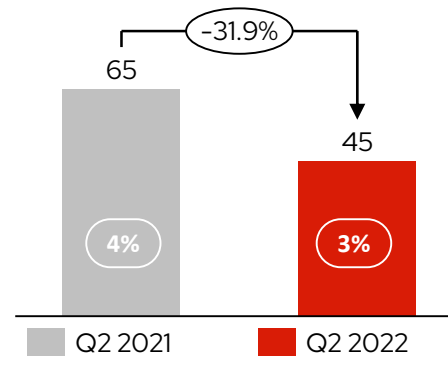
Gross Profit (AED m)



Total Overheads (AED m)



Attributable Net Profit (AED m)



XX Margin in % of revenues

Management Commentary

Q2 2022 Revenue declined 3.5% YoY to AED 1.52 billion due to lower Courier volumes, which was partially offset by strong growth in the Logistics and Freight Forwarding business.

The decline in volumes is in line with the global industry trend, driven by a softness in e-commerce activity compared to Covid years 2020, 2021 as well as the new macro economic environment. E-commerce fundamentals remain strong.

Increased activity in Industrials, Retail, Pharmaceuticals, and SMEs are contributing positively to the Freight-Forwarding and Logistics business.

The company's focus on driving quality revenue and operational efficiency delivered a stable GP margin of 25%.

Net profit for Q2 2022 was mainly impacted by the decline in revenue and the increase in overheads, due to M&A legal and consultancy fees, new hires and salary increments. The company was also impacted by the FX devaluation of the Lebanese Pound and Egyptian Pound.

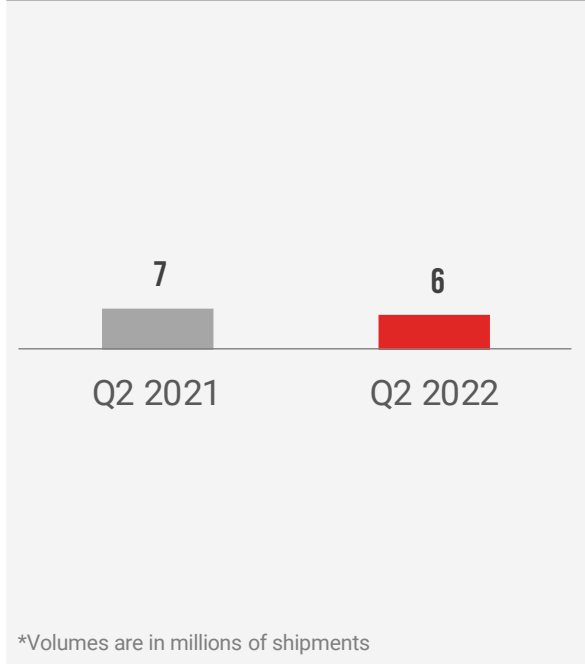
Robust balance sheet, conservative leverage, and strong cash position underpin expansion and M&A plans, investment in digital and tech infrastructure.

Quarter Financials

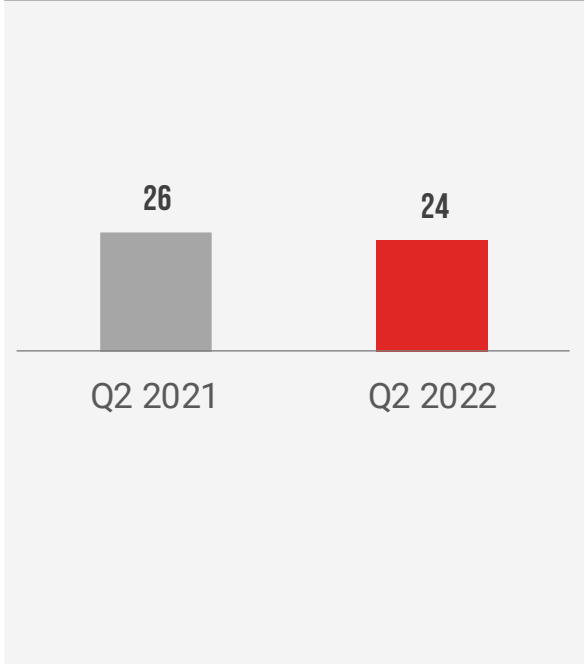
	Q2 2022	Q2 2021	QoQ
Revenue	936,163	1,100,782	(15%)
Total Direct Cost	669,113	775,480	(14%)
Gross Profit	267,050	325,301	(18%)
GP%	29%	30%	
EBIT	40,109	104,627	(62%)
EBIT%	4%	10%	
EBITDA	98,399	164,434	(40%)
EBITDA%	11%	15%	

All amounts are in AED Thousands

Express Volume



Domestic Volume



Quarter Financials

	Q2 2022	Q2 2021	QoQ
Revenue	432,410	328,595	32%
Total Direct Cost	374,509	294,642	27%
Gross Profit	57,901	33,953	71%
GP%	13%	10%	
EBIT	17,192	172	9906%
EBIT%	4%	0%	
EBITDA	24,721	7,726	220%
EBITDA%	6%	2%	

All amounts are in AED Thousands

Volumes

	Q2 2022	Q2 2021	QoQ
Land freight (FTL)	6,768	5,981	13%
Land Freight (LTL KGs)	7,755,561	7,394,215	5%
Sea Freight (FCL TEU)	7,179	9,183	-22%
Sea Freight (LCL CBM)	4,066	28,129	-86%
Air Freight (KGs)	16,897,577	11,538,110	46%

Quarter Financials

	Q2 2022	Q2 2021	QoQ
Revenue	111,756	108,809	3%
Total Direct Cost	83,312	101,894	(18%)
Gross Profit	28,445	6,915	311%
GP%	25%	6%	
EBIT	5,180	-5,088	(202%)
EBIT%	5%	-5%	
EBITDA	26,975	17,185	57%
EBITDA%	24%	16%	

All amounts are in AED Thousands

Top Revenue generating sectors



Industrials



FMCG



Telecommunication



Fashion



Ecommerce



Electronics



Healthcare

Regions

	GCC		
REV	588.4		39%
Rev GRTH	37.7		7%
GP	125	↑	18%
Volumes	9,703,276	↓	-5%

	MENAT		
REV	198.9		13%
Rev GRTH	0.8		0.4%
GP	57.1	↓	-5%
Volumes	4,607,854	↑	1%

	SS & Africa		
REV	89.2		6%
Rev GRTH	6.3		8%
GP	35	↑	30%
Volumes	1,565,519	↓	-3%

	Europe		
REV	196.9		13%
Rev GRTH	-8.1		-4%
GP	34	↓	-5%
Volumes	1,468,742	↑	4%

	South Asia		
REV	134.4		9%
Rev GRTH	7.1		6%
GP	20	↑	10%
Volumes	1,025,738	↑	12%

	North Asia		
REV	94.6		6%
Rev GRTH	-85.5		-47%
GP	26	↓	-48%
Volumes	492,270	↓	-56%

	America		
REV	76.5		5%
Rev GRTH	1.7		2%
GP	11	↑	42%
Volumes	1,186,564	↓	-0.5%

	Oceania		
REV	130.4		9%
Rev GRTH	-13.6		-9%
GP	32	↓	-23%
Volumes	9,981,331	↓	-17%

Balance Sheet Highlights

	30 Jun 2022	31 Dec 2021	Movement	
			Variance	Change %
Current assets	2,049	2,283	-234	-10%
Assets held for sale	5	11	-6	-55%
Non-current assets	3,095	3,107	-12	0%
Total assets	5,148	5,400	-252	-5%
Current liabilities	1,490	1,618	-128	-8%
Liabilities held for sale	2	5	-3	-61%
Non-current liabilities	1,123	1,101	22	2%
Total liabilities	2,614	2,724	-110	-4%
Non-controlling interest	10	11	-1	-9%
Shareholders' equity	2,524	2,665	-141	-5%

Financial Ratios

	Q2 2022	Q2 2021		HY 2022	HY 2021	Movement	
						QoQ	YOY
Gross Profit Margin %	25.0%	24.7%		24.4%	24.9%	0.3%	-0.5%
EBIT %	4.2%	6.3%		4.7%	6.0%	-2.1%	-1.3%
EBITDA%	10.3%	12.3%		10.9%	12.1%	-2.0%	-1.2%
Net Profit Margin %	2.9%	4.2%		3.1%	3.7%	-1.2%	-0.6%
EPS (AED)	0.030	0.044		0.063	0.076	-0.014	-0.013
Debt/Equity %	-	-	-	50.2%	60.4%	-	-10%
Debt to Equity (Excluding IFRS 16)	-	-	-	11.5%	26.6%	-	-15.1%
Debt TO EBITDA	-	-	-	1.6	1.7	-	-0.1
Debt to EBITDA (Excluding IFRS 16)	-	-	-	0.5	1.1	-	-0.6

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