

Investor Presentation

- 1Q 2017 Results -

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Aramex is a global provider of logistics and transportation solutions

18,000 employees

567 offices in 69 Countries

AED 4.3 billion revenues

AED 7.2 billion market cap

Business Units

**Domestic
Express**



**International
Express**



Freight



**Logistics &
Other**



eCommerce



At a glance

Aramex Domestic Express offers reliable door to door solutions for time-critical packages to be delivered within a country or city.

International Express offers global solutions for moving time-sensitive documents and parcels door-to-door around the world and within a variety of transit time options.

We provide a global and cost-effective solution to land, sea and air freight needs through a worldwide network.

Aramex covers all stages of the logistics supply chain from the moment inventory leaves suppliers until the moment it reaches its destination. We provide customized solutions for various industries and records management services via InfoFort.

eCommerce is the key driver of Aramex's growth, innovation and M&A strategy.

Aramex shareholders were rewarded by strong TSR

Closing Price 1Q 2017

AED 4.95

Total Return Metrics:

+22%

1Q 2017 share price increase and Total Shareholder Return (Dividend reinvested)

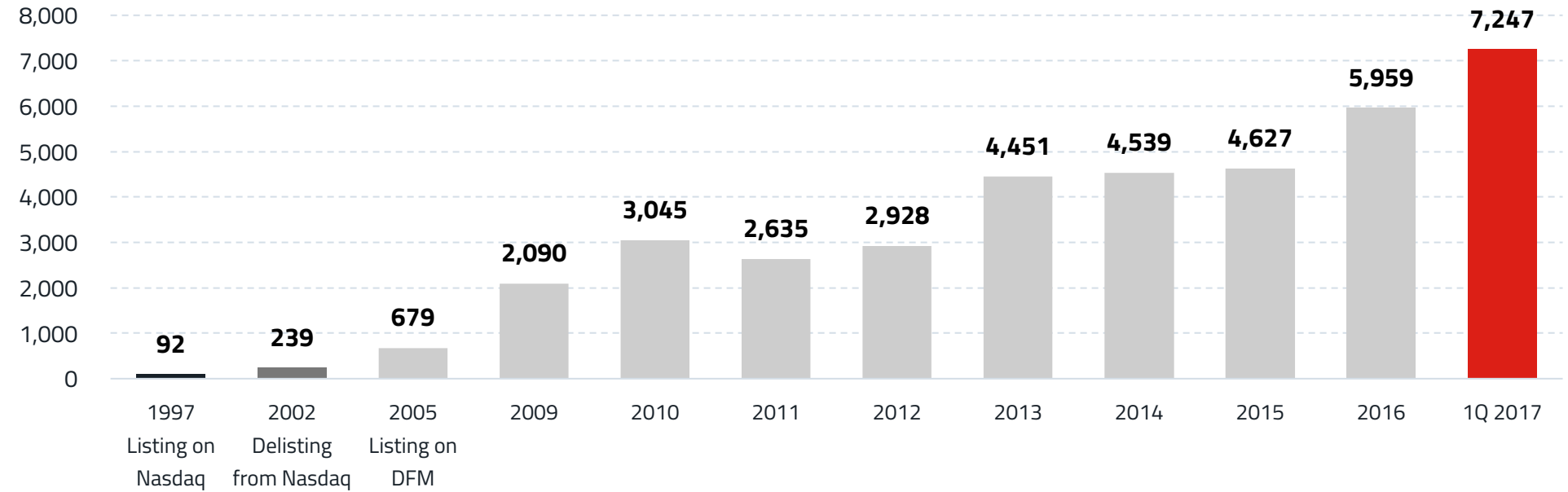
+29%

2016 share price increase

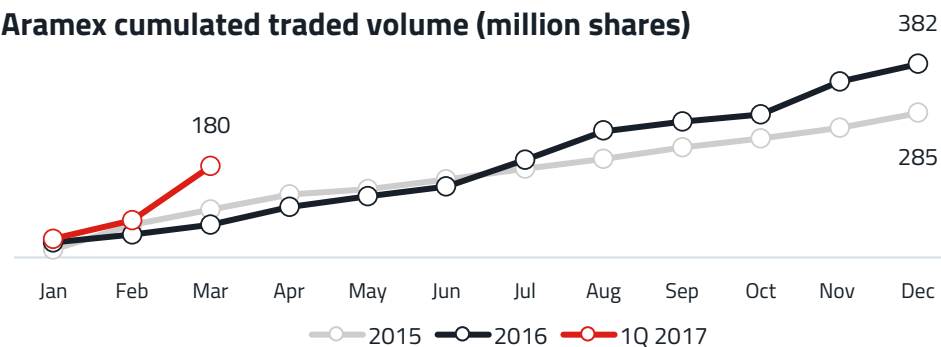
+34%

2016 Total Shareholder Return (Dividend reinvested)

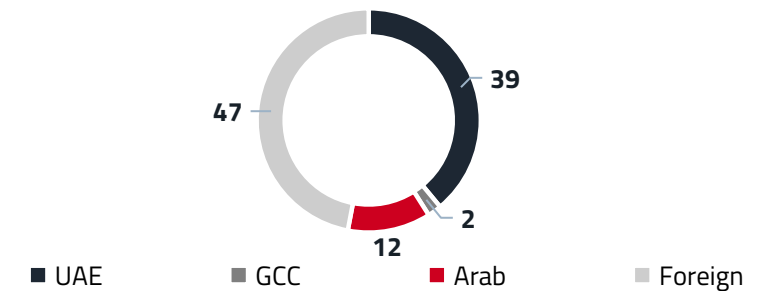
Market Capitalization (AEDm)



Aramex cumulated traded volume (million shares)



Geographic Ownership (%)



Management expects to deliver 2017 revenue targets

		2016 Actual	2017 Target	1Q 2017 Actual
Express	✓	↑ 22% AED 1,687 m	Double-digit growth	↑ 20% AED 457 m
Freight Forwarding	✓	↓ 6% AED 1,131 m	Single-digit decrease	↓ 3% AED 276 m
Domestic	✓	↑ 35% AED 981 m	Single-digit growth	↑ 5% AED 243 m
Logistics	✓	↑ 29% AED 265 m	Double-digit growth	↓ 8% AED 62 m
Other	✓	↑ 22% AED 279 m	Single-digit growth	→ 0% AED 68 m
Total	✓	↑ 16% AED 4,343 m	Double-digit growth	↑ 7% AED 1,106 m

Management focused on five key areas to drive 2017 results

Focus Areas

Management remains focused on long-term growth drivers

eCommerce



Continues to be the main growth driver of Aramex express and logistics businesses

Asset-light model



Proves our business model can be successful through market cycles

Innovation and technology



Enhances our customer experience and enables us to expand our business operations

Operational efficiency



Implementation of ERP platform fosters enterprise-wide collaboration

M&A and partnerships



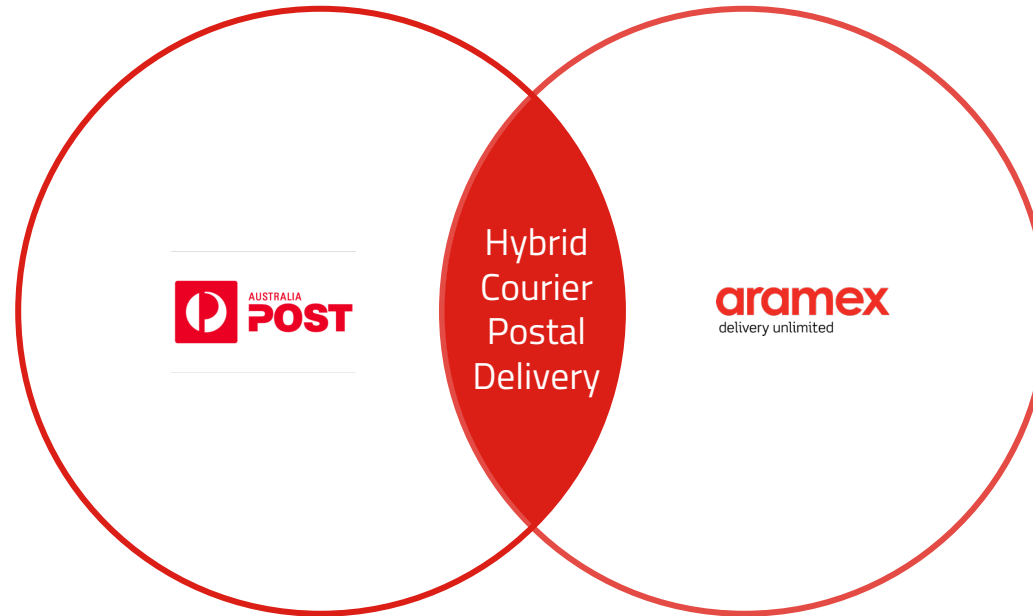
JV with Australia Post started to show results

Key Messages

Delivering the best of both worlds to offer customers maximum flexibility

Postal Strengths

- Delivers to every address in the world
- Most respected network by all nations
- Largest number of pick-up-drop-off locations
- Competitive prices



Courier Strengths

- Tracking and notification technology
- Ability to pay duties and taxes at checkout
- Full control over line haul speed and visibility
- No weight restrictions

Result

Residential coverage in 192 countries
Cheaper than courier
Faster than mail

Management remains focused on three key priorities

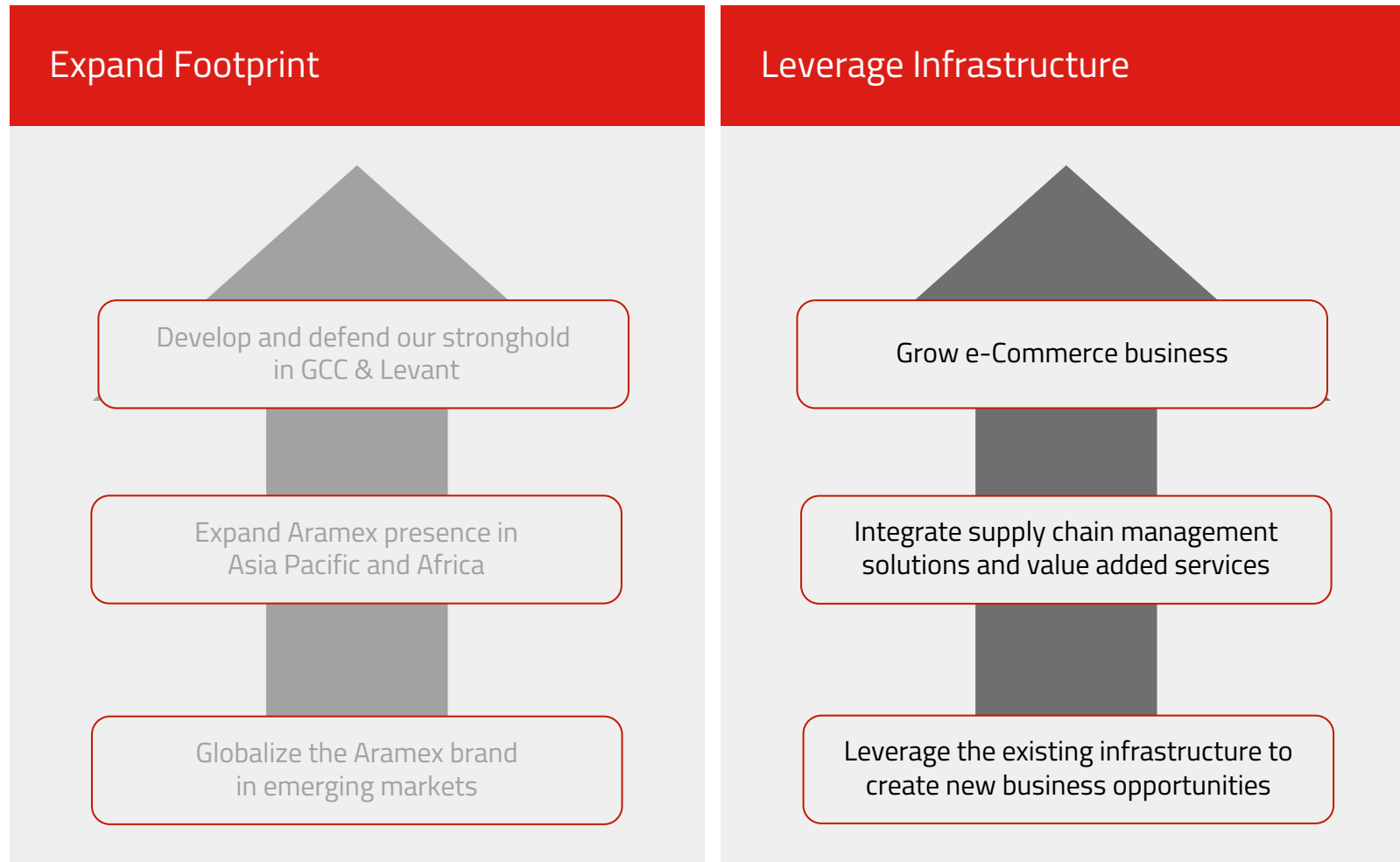
Expand Footprint

Develop and defend our stronghold
in GCC & Levant

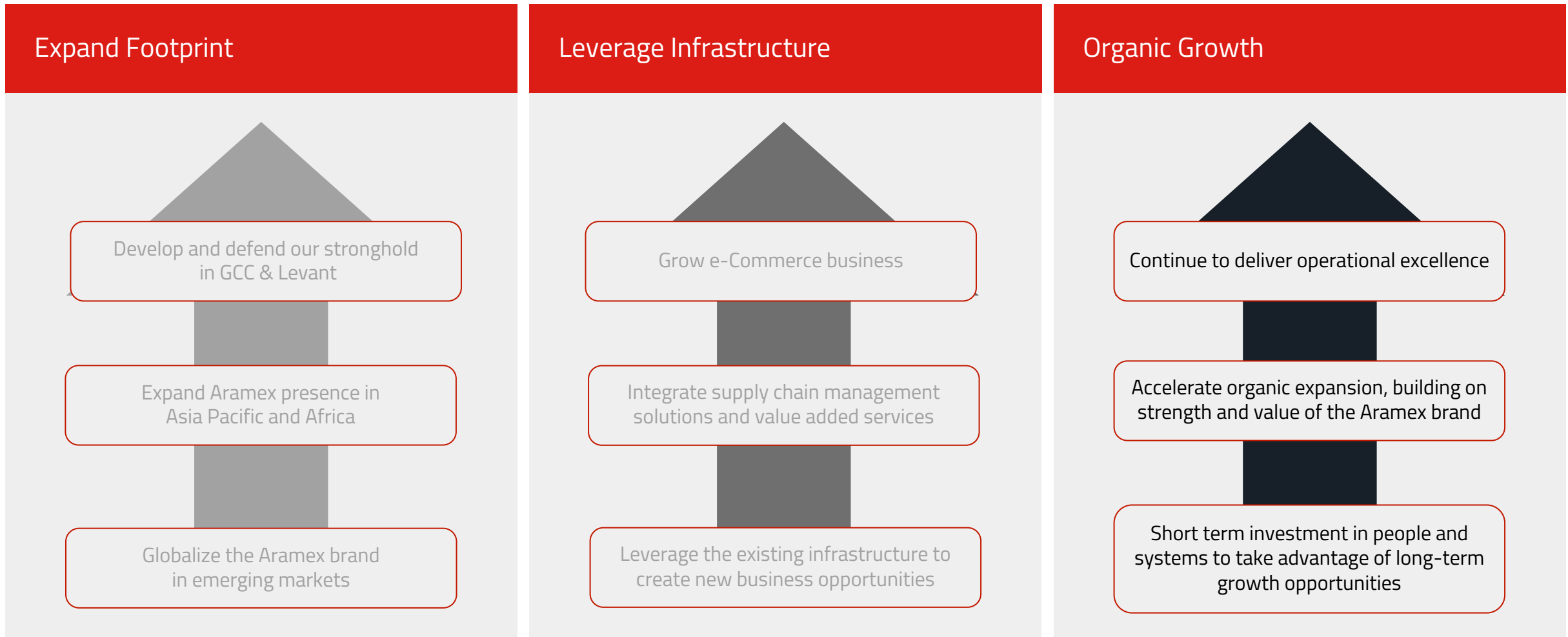
Expand Aramex presence in
Asia Pacific and Africa

Globalize the Aramex brand
in emerging markets

Management remains focused on three key priorities



Management remains focused on three key priorities



Core Beliefs

We believe in transforming our business to succeed in a digital world

Business Model Disruption



We believe that the current logistics model will not last

Shipping is changing



All the way from bulk to containers to pallets to boxes to pieces – new industry dynamics apply to all players in the industry

Ecosystem



We believe in winning with an ecosystem that connects “sharing” platforms

Technology



We believe that technology has already accelerated the pace of industry change

Devices



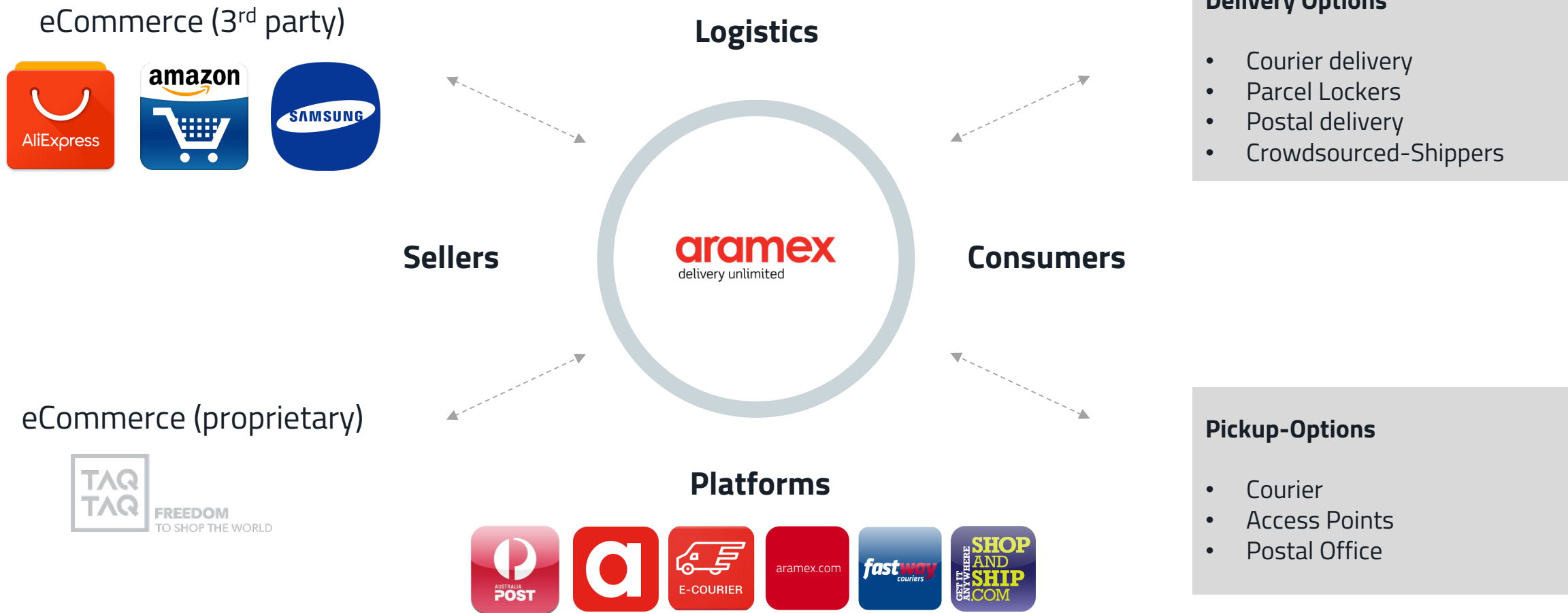
We believe that devices are becoming smarter and are connecting the unconnected

Talent



Better technology will enable employees to become more efficient

We are continuing to build out the Aramex ecosystem



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Continue to deliver a good underlying performance

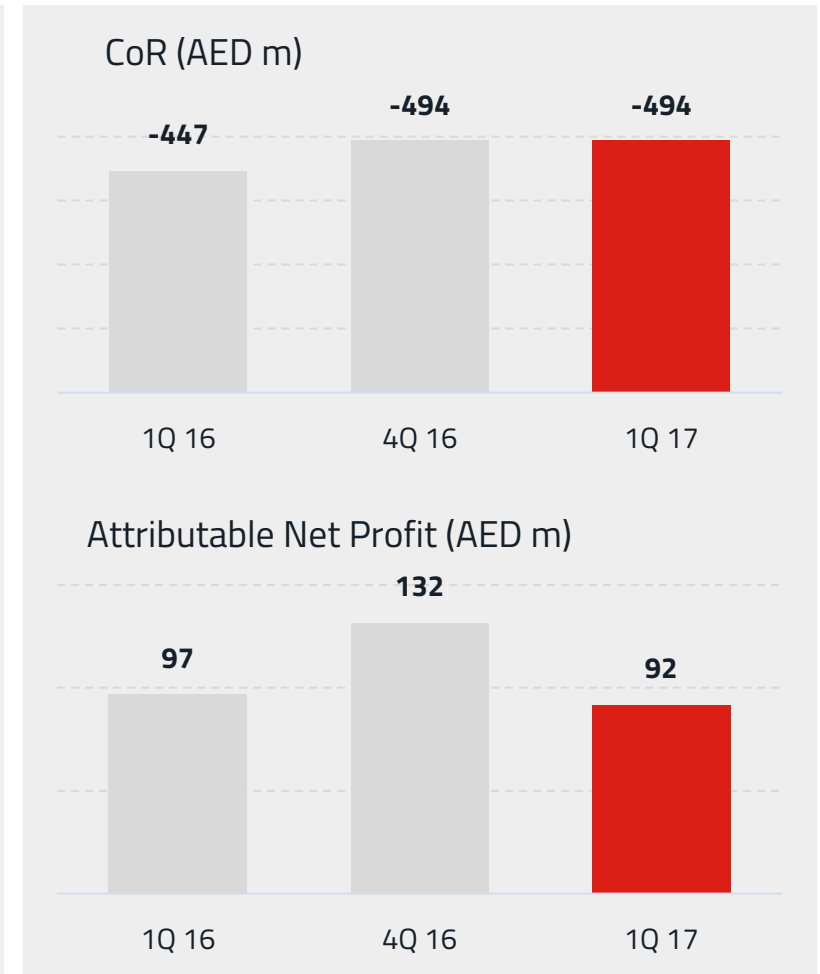
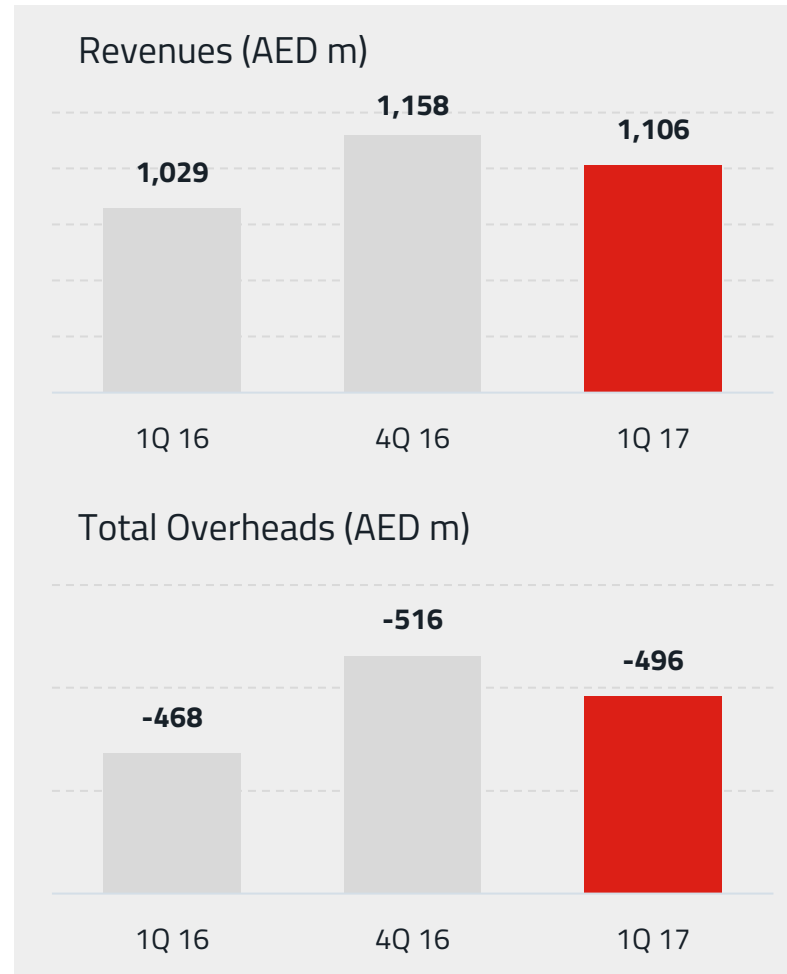


* Special items comprise: 1Q 2017 - additional provision of AED 13,317 thousand related to the company's incentive scheme; 2Q 2016 – gain on bargain purchase of AMC of AED 41,568 thousand.

1Q 2017 Group Highlights

Management Comments →

Revenue performance in the first quarter was driven by growth across most geographies, with Asia-Pacific being a major contributor. Revenues in other regions were affected by currency fluctuations, especially the Egyptian Pound. Compared with 4Q 2016, the lower revenue in Q1 2017 was principally a reflection of a traditionally strong 4th quarter. Cost of Revenues and overheads increased year-on-year in line with overall growth of the business. Attributable Net Profit declined in 1Q 2017 on a headline basis but grew 8.5% excluding special items, as a result of the consistent revenue performance in combination with improved overhead cost efficiency.



1Q 2017 Financial Highlights

Income Statement (AEDm) →

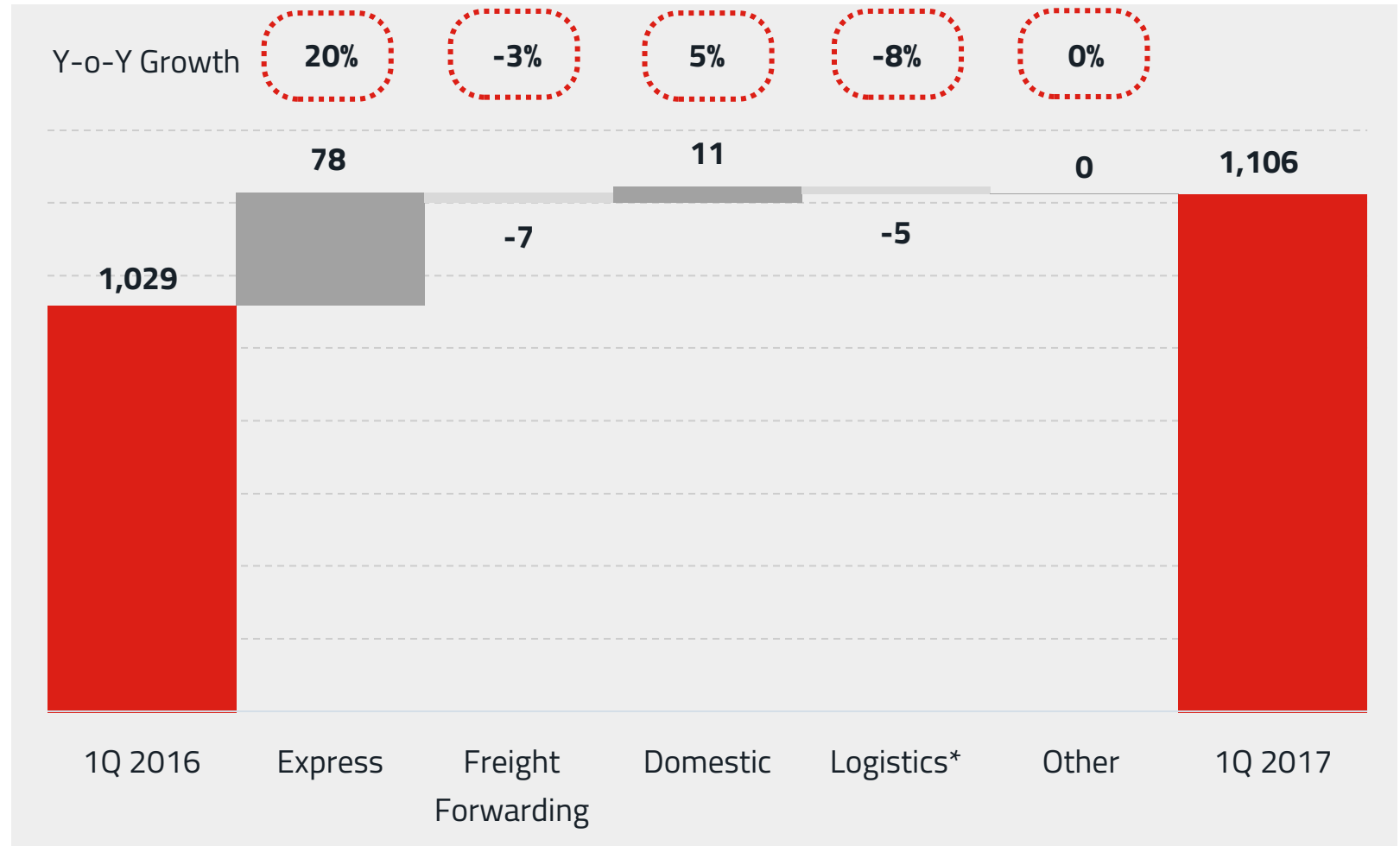
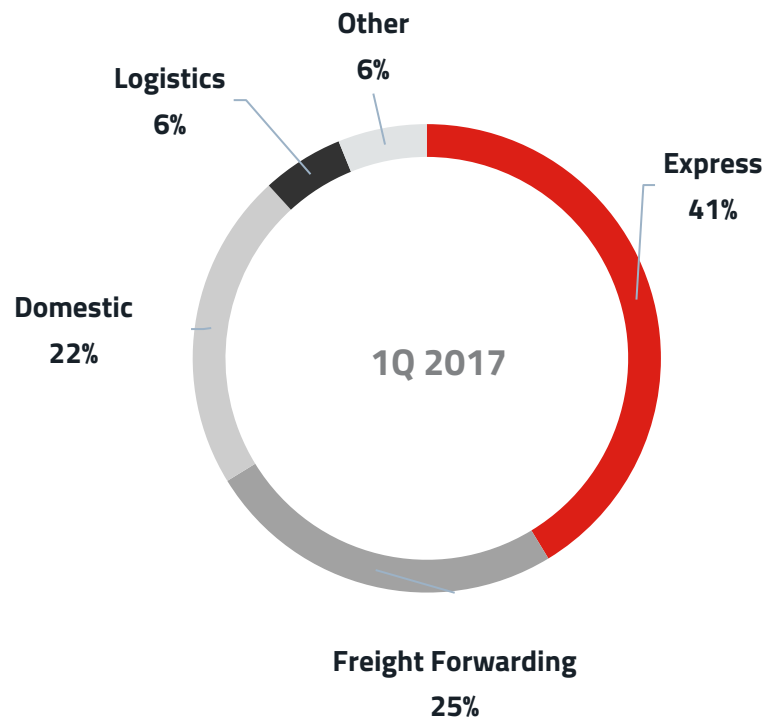
	Quarter			Movement (%)	
	1Q 17	4Q 16	1Q 16	q-o-q	y-o-y
Revenue*	1,105.9	1,158.5	1,029.3	-5%	7%
Cost of Revenues	(494.2)	(494.4)	(446.8)	0%	-11%
Gross profit	611.7	664.1	582.5	-8%	5%
Overheads	(496.0)	(515.8)	(468.3)	4%	-6%
Profit for the period	94.6	139.3	103.8	-32%	-9%
Profit from cont. operations before special items**	107.9	139.3	102.5	-23%	+5%
EBITDA	142.1	190.1	142.2	-25%	0%
EBITDA before special items**	155.4	190.1	142.2	-18%	+9%

* Excluding exchange rate impacts, revenue grew 12% y-o-y.

** Special items comprise: 1Q 2017 - additional provision of AED 13,317 thousand related to the company's incentive scheme.

Domestic and international express delivered 63% of revenues

Revenues by segment (AED m) →

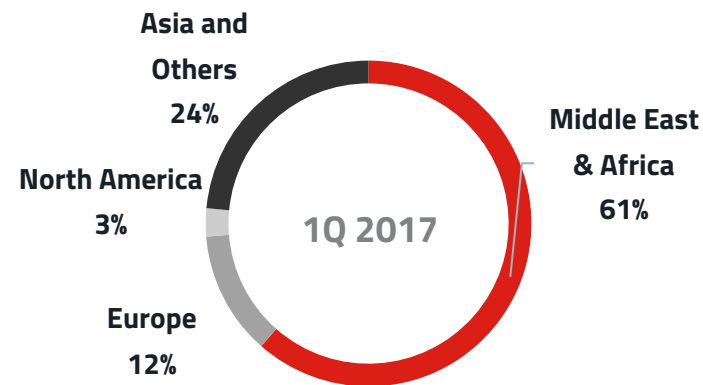


* Excluding exchange rate impacts, Logistics revenue grew 5% y-o-y.

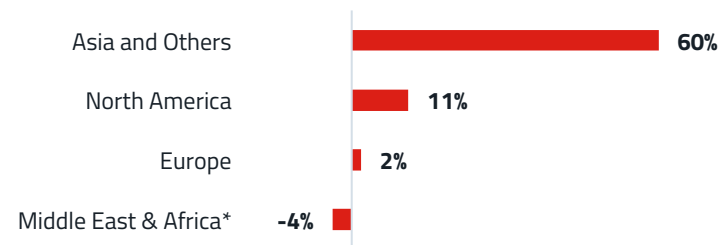
Geographic performance – strongest growth recorded again in Asia

Revenues by Geography →

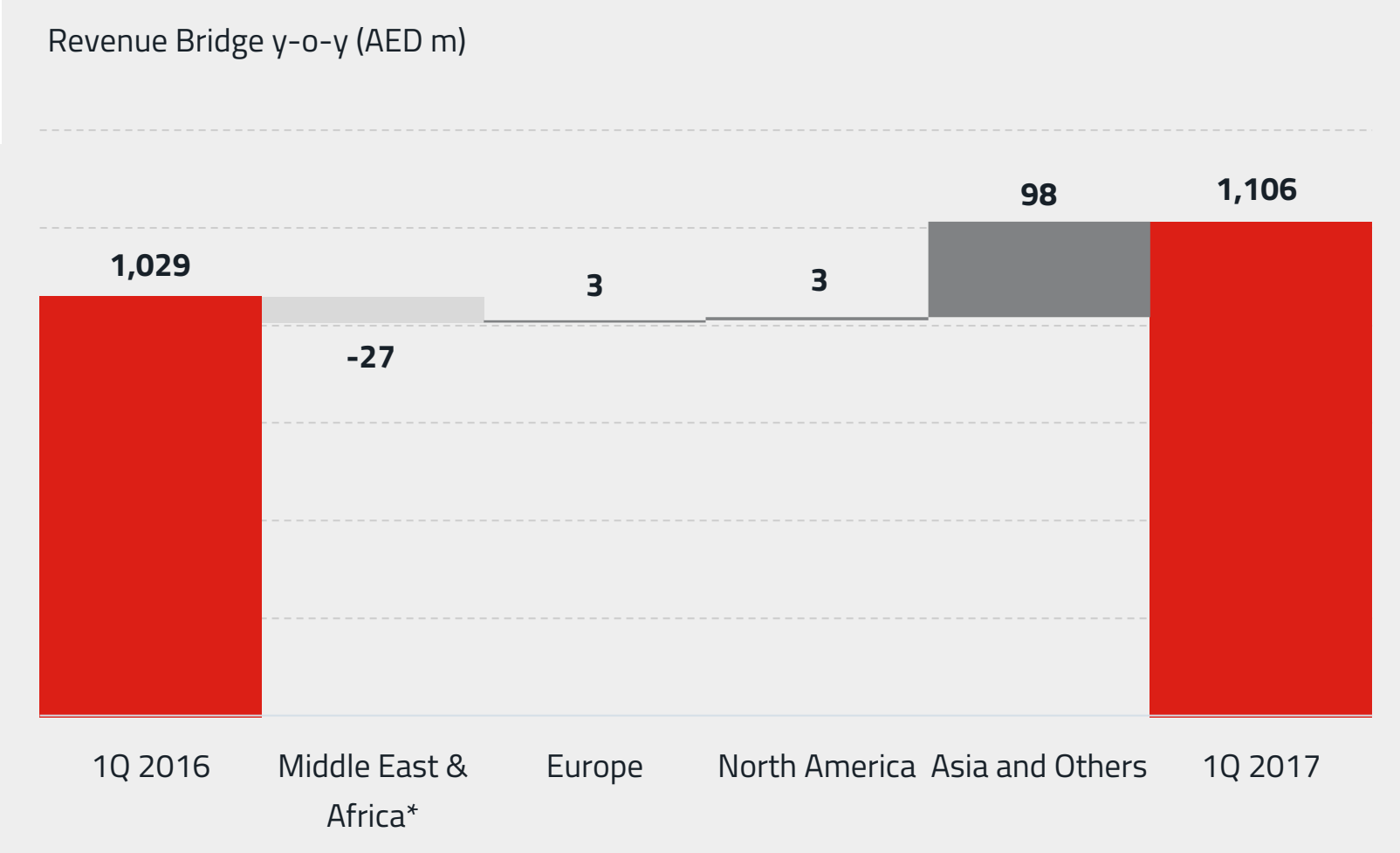
Geographic Contribution (%)



Geographic Performance y-o-y (%)



* Excluding exchange rate impacts, ME&A revenue grew 1% y-o-y.



1Q 2017 Financial Highlights

Financial Ratios (AEDm) →

	Quarter			Movement	
	1Q 17	4Q 16	1Q 16	q-o-q	y-o-y
EPS (AED)	0.063	0.090	0.066	-30%	-5%
EPS before special items* (AED)	0.072	0.090	0.066	-20%	8%
Gross profit margin (%)	55.3%	57.3%	56.6%	-2.0%	-1.3%
EBITDA margin %	12.8%	16.4%	13.8%	-3.6%	-1.0%
EBITDA before special items* margin %	14.1%	16.4%	13.8%	-2.3%	0.3%
Debt/Equity %	32.0%	27.7%	30.5%	-4.3%	-1.5%

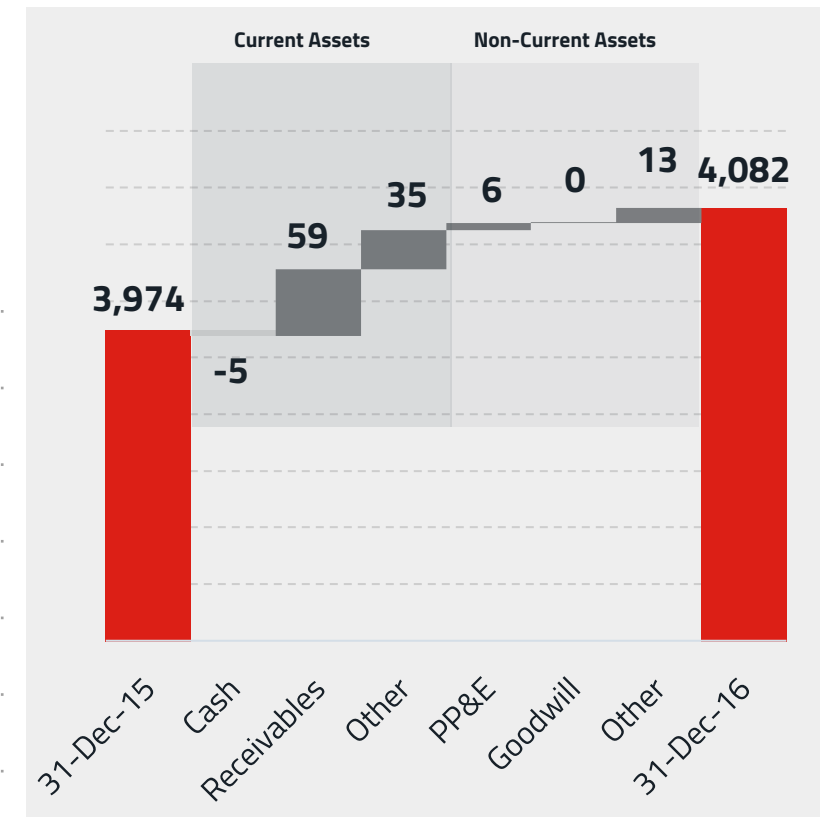
* Special items comprise: 1Q 2017 - additional provision of AED 13,317 thousand related to the company's incentive scheme

Balance sheet remains strong and liquid

Balance Sheet Highlights →

Asset Movement Y-o-Y (AED m) →

	Movement			
	31 Mar 2017	31 Dec 2016	Actual	Change %
Current assets	1,744	1,655	89	5%
Non-current assets	2,338	2,319	19	1%
Total assets	4,082	3,974	108	3%
Current liabilities	1,417	1,122	295	26%
Non-current liabilities	545	578	-33	-6%
Total liabilities	1,961	1,700	262	15%
Non-controlling interest	7	9	-2	-22%
Shareholders' equity	2,113	2,265	-152	7%



Composition of assets

Financial Ratios (AEDm) →

	31 Mar 2017	31 Dec 2016	Actual	Movement in %
Cash and cash equivalents	696	701	-5	-1%
Receivables (net)	813	754	59	8%
Other current assets	234	199	35	17%
Total current assets	1,744	1,655	89	5%
Property, Plant and equipment (net)	846	840	6	1%
Goodwill (net)	1,084	1,084	0	0%
Other non current assets	408	395	13	3%
Total non-current assets	2,338	2,319	19	1%
Total assets	4,082	3,974	108	3%

Long-term Performance



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Express business continues to drive growth

Segmental Revenues (%) →

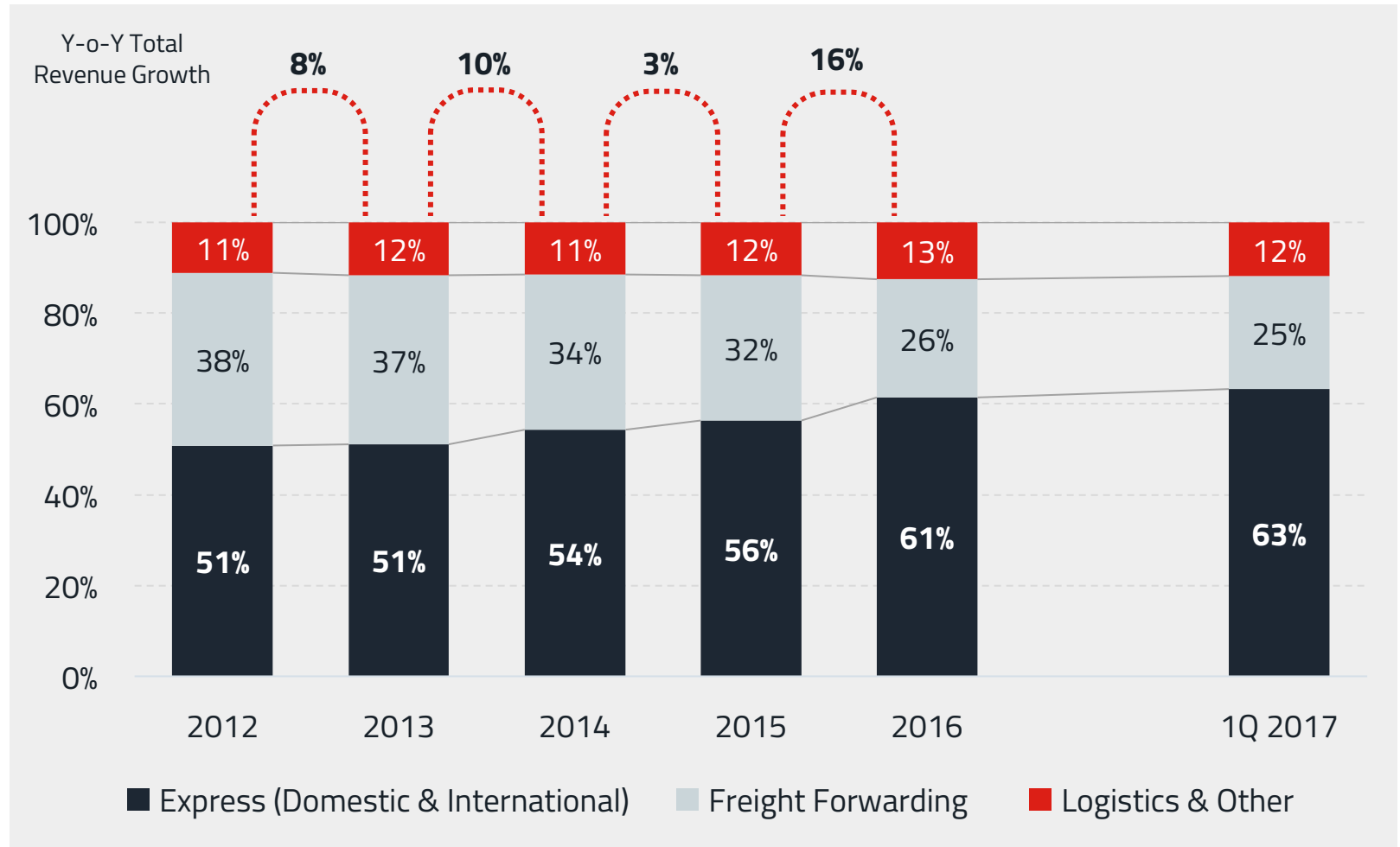
Express contribution to total revenues continues to grow, outgrowing other businesses

The key driver of this development is the fast-growing eCommerce business

Express revenue (domestic & international) has grown from 51% to 63% as at 1Q 2017

Freight forwarding has consistently declined from 38% revenue contribution to 25%

Management expects this trend to continue throughout 2017 and beyond



Aramex maintains a track record of delivering operational excellence

Aramex 2012-2016 (Indexed) →

We delivered a consistently strong performance since 2012

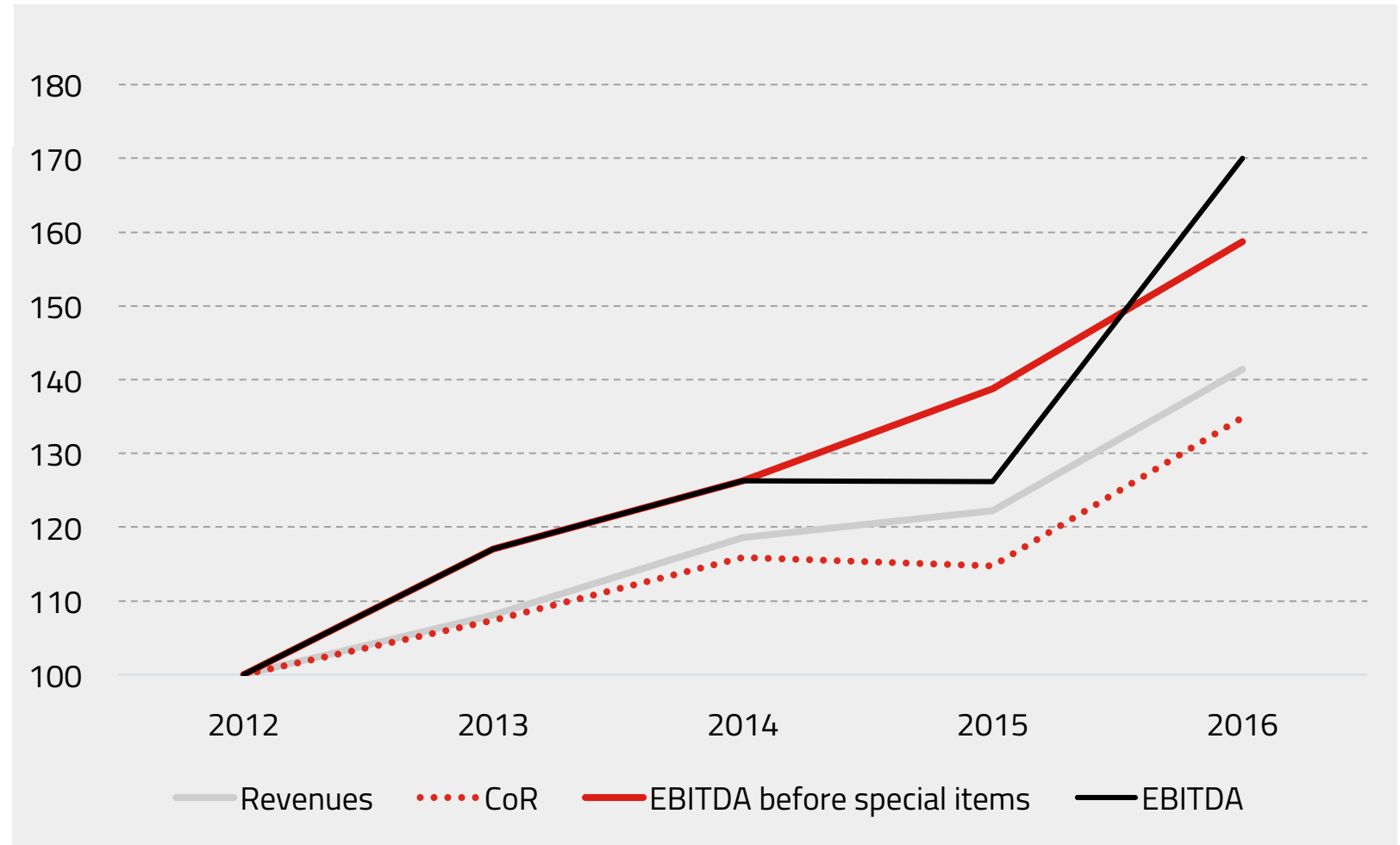
2012-2016 CAGR

Revenues 9.0%

Cost of Revenues 7.8%

EBITDA: 14.2%

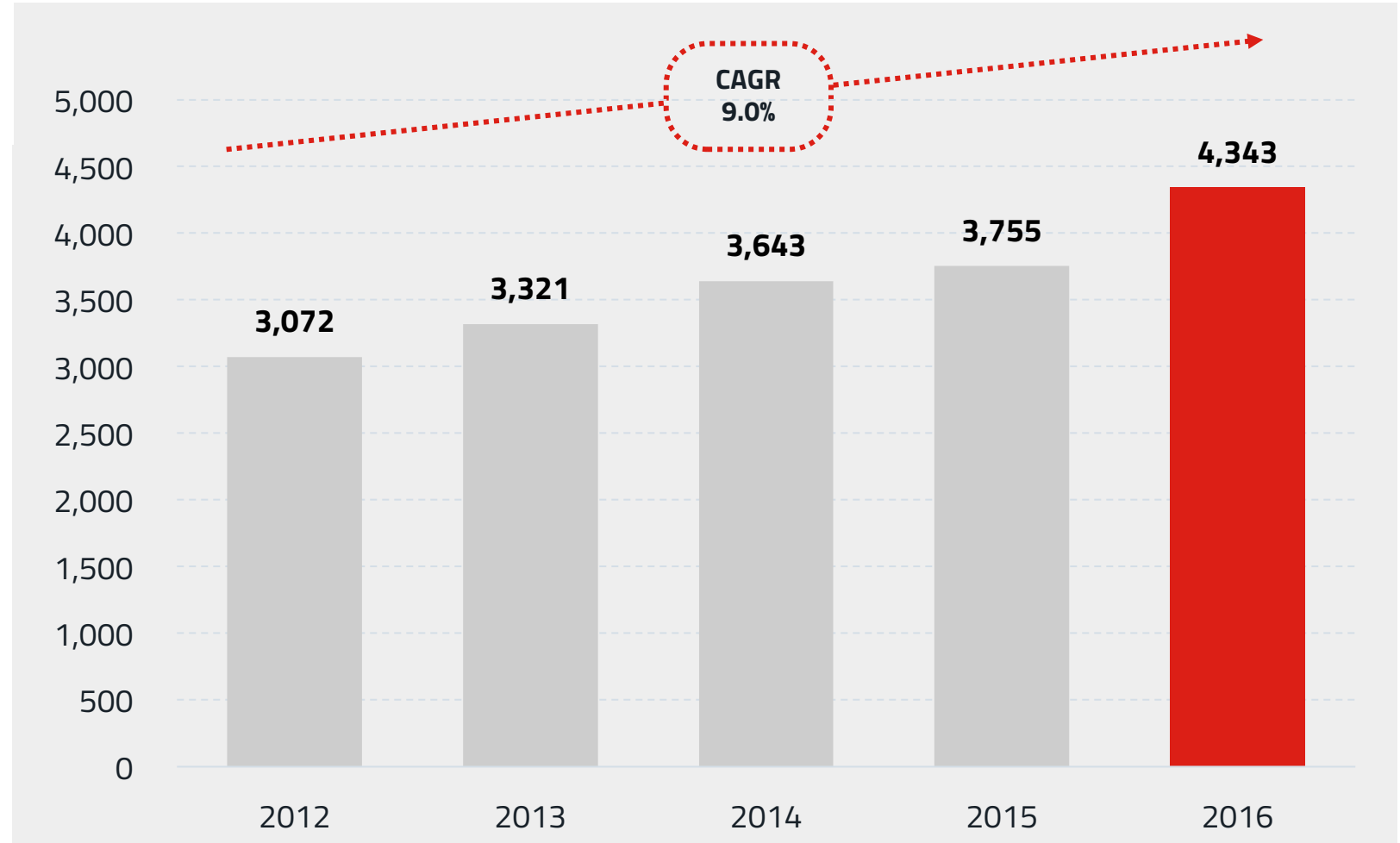
EBITDA before special items: 12.2%



Aramex continues to deliver solid top line performance

Revenues (AED m) →

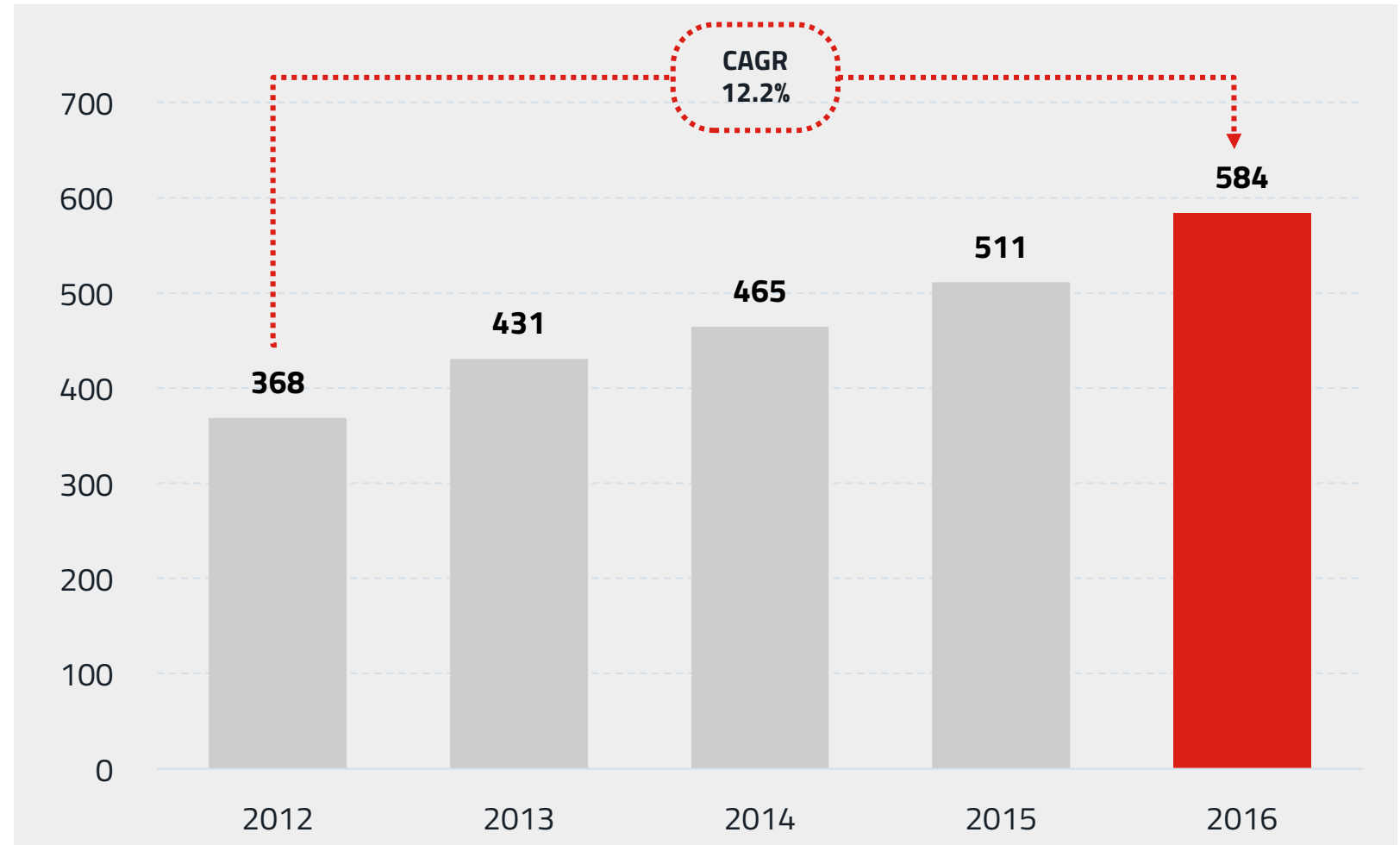
Revenue generation
Strong revenue growth of 16% in 2016 reflects additional income generated primarily in international cross-border express business as well as in Asia Pacific



Strong underlying results right across the business

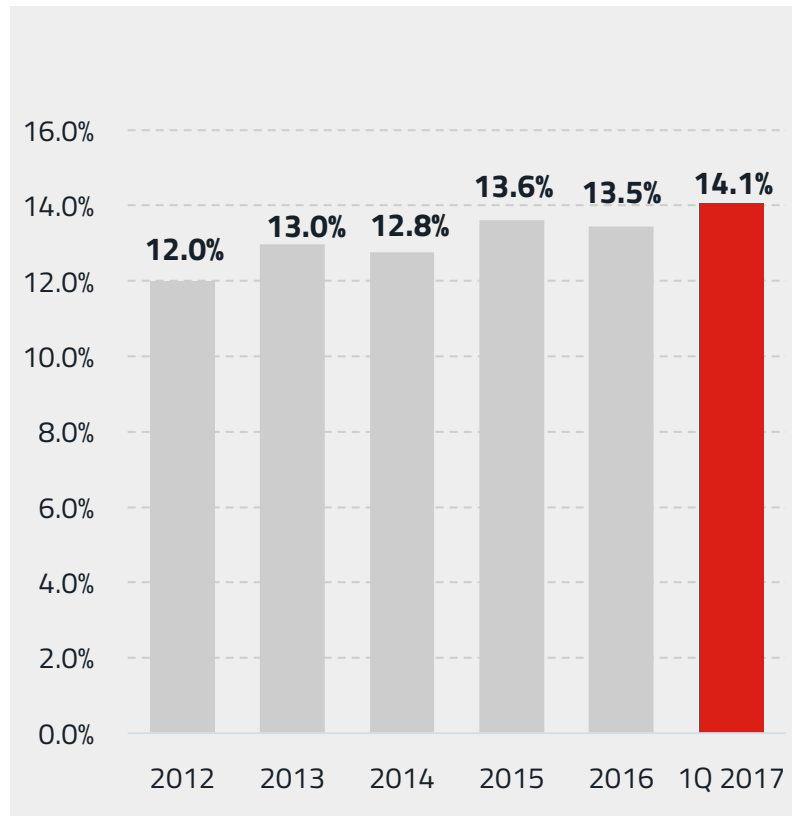
EBITDA before special items (AED m) →

EBITDA before special items:
Aramex generated strong underlying result
across the business

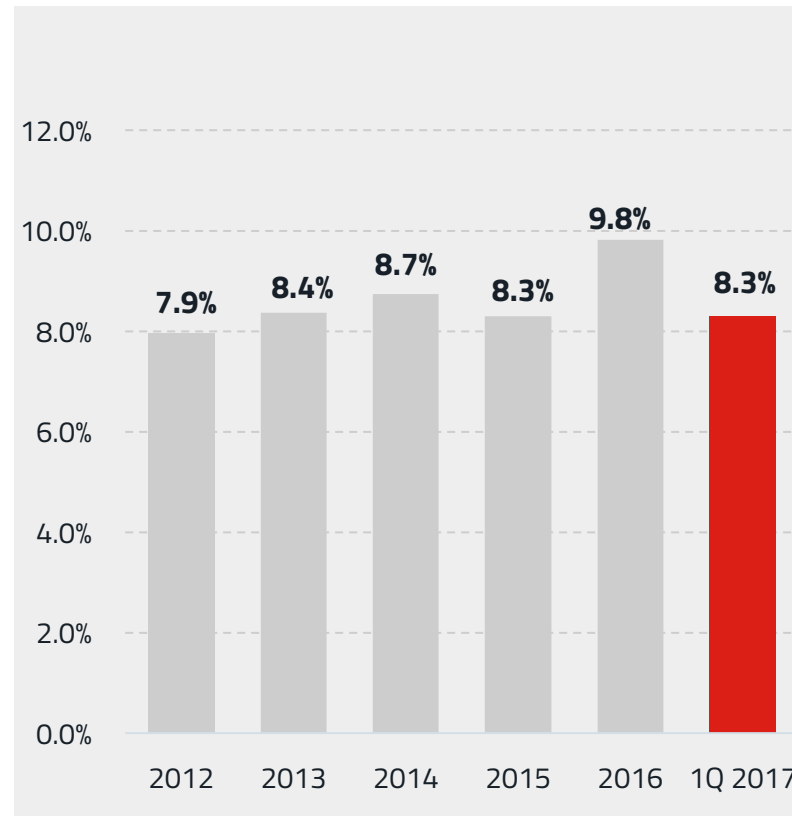


Aramex generates consistent performance across key KPIs

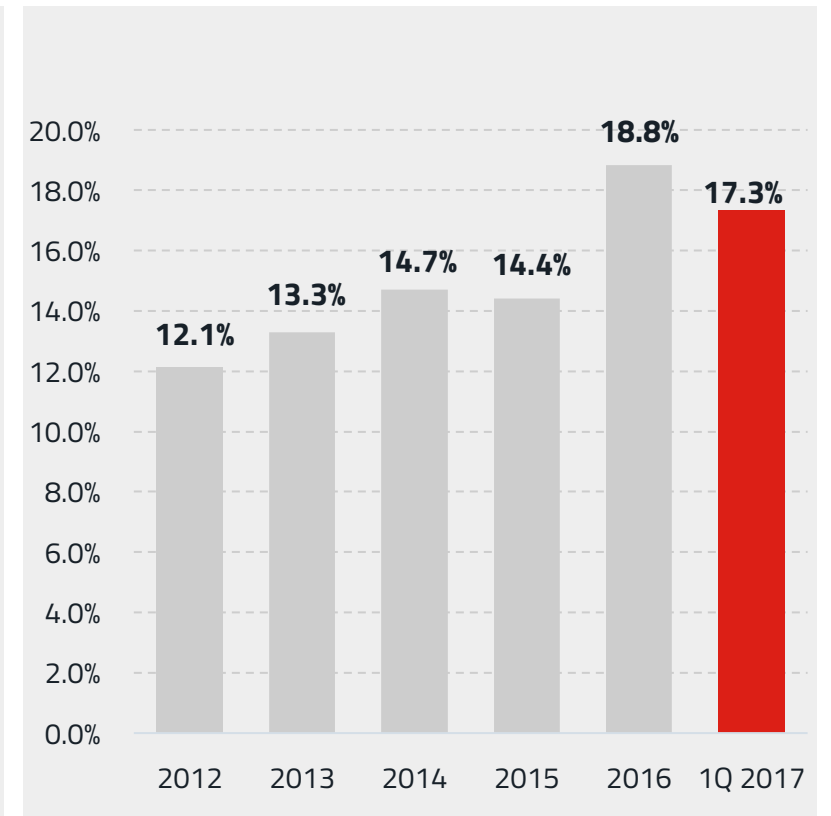
EBITDA margin before special items (%) →



Net Profit Margin (%) →



Return on Equity (%) →

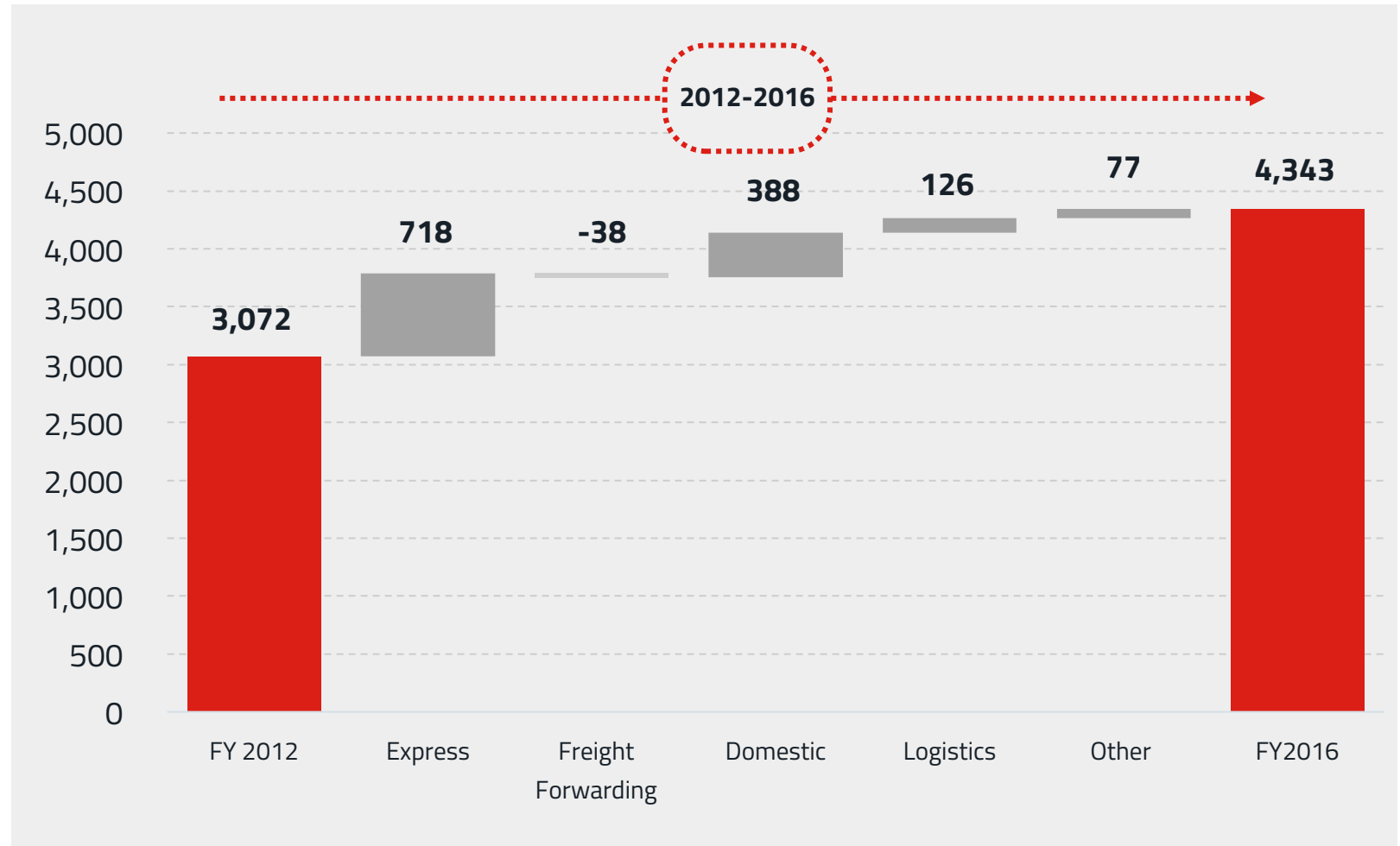


Key components of Aramex's long term growth story

Contribution by Business (AED m) →

Growth story since 2012

CAGR Express	14.9%
CAGR Freight Forwarding	-0.8%
CAGR Domestic	13.4%
CAGR Logistics	17.6%
CAGR Other	8.4%

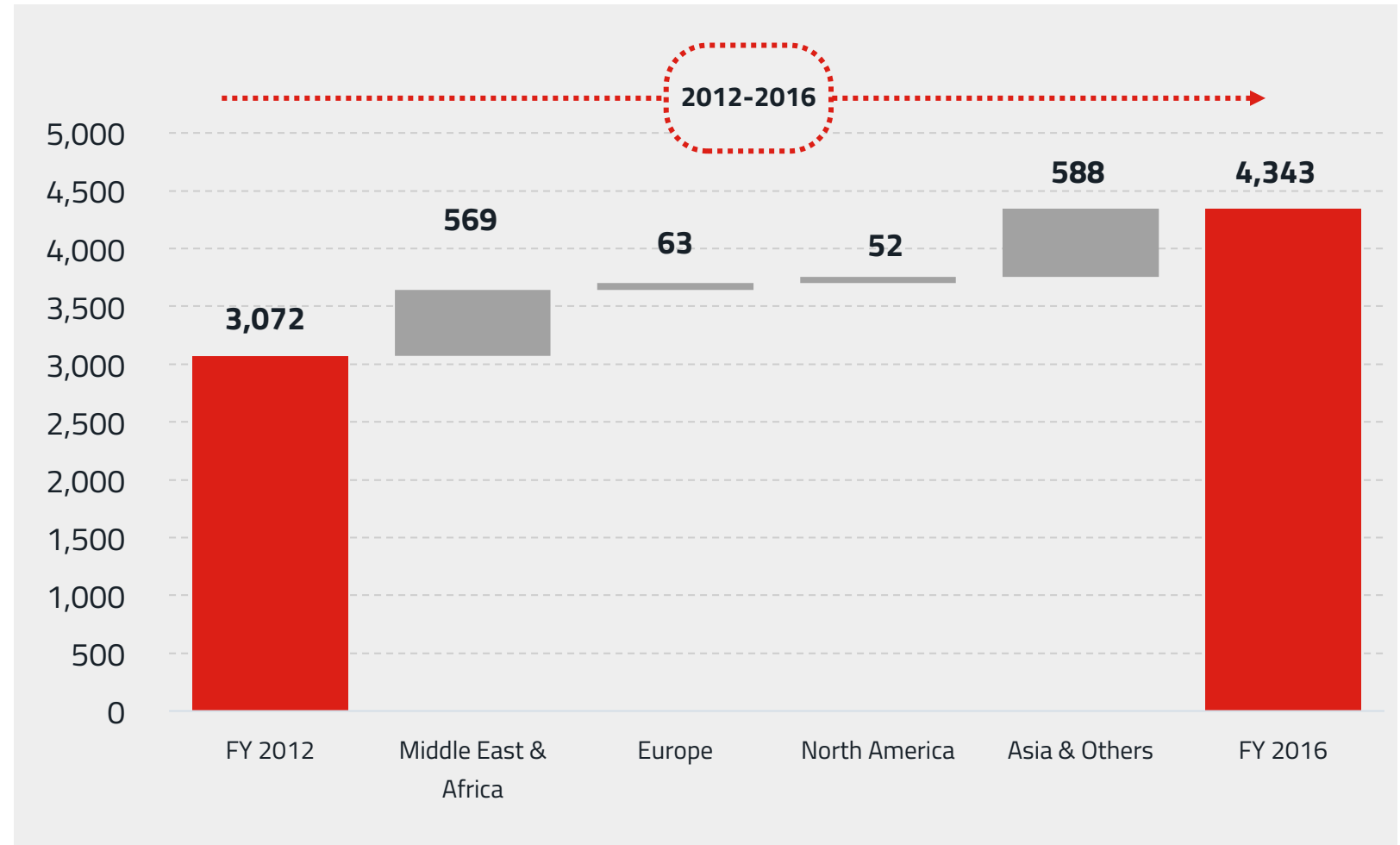


Defending and developing our market position in growth markets

Contribution by Geography (AED m) →

Growth story since 2012

CAGR Middle East	5.8%
CAGR Europe	3.0%
CAGR North America	15.5%
CAGR Asia & Other	33.0%



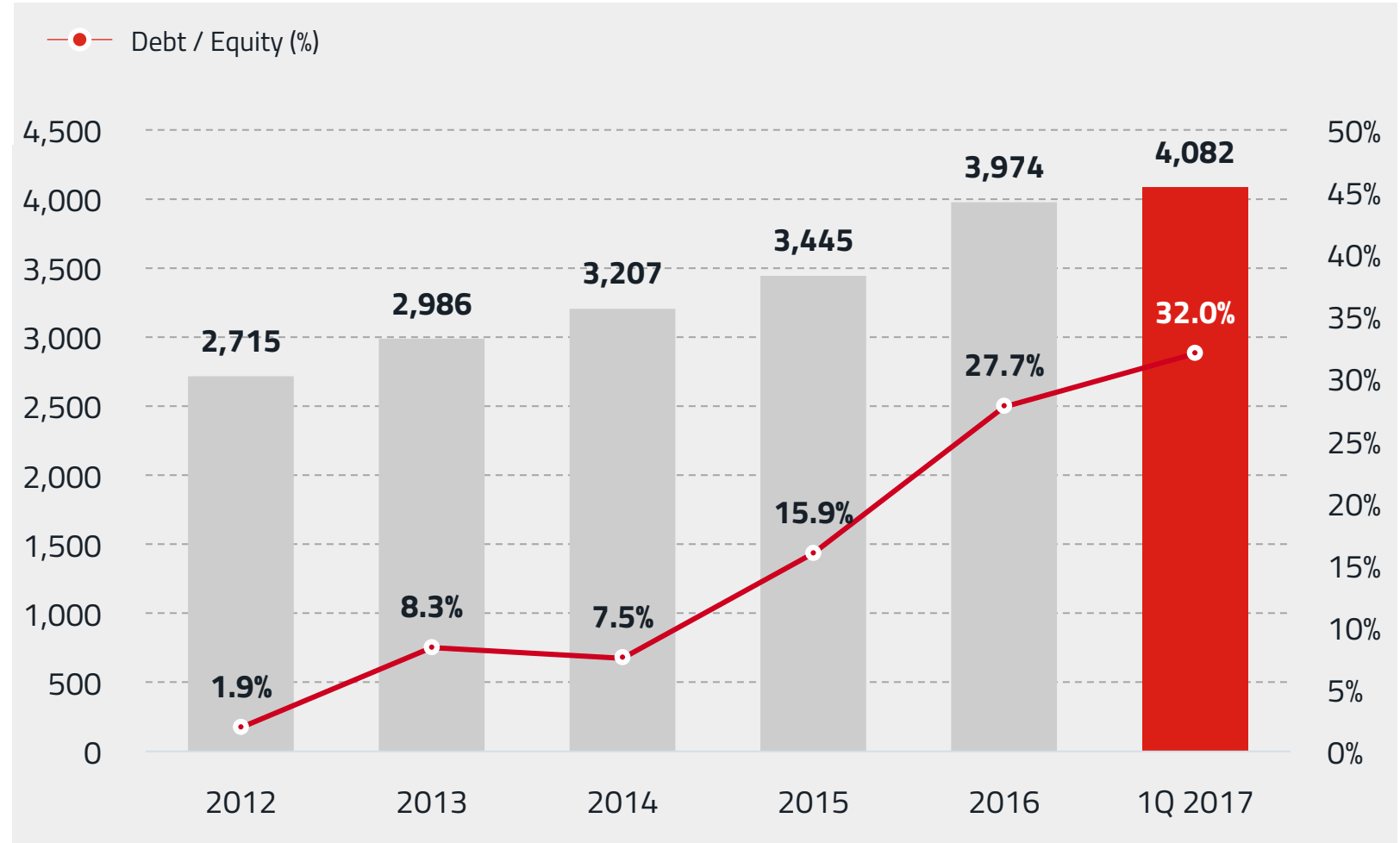
Aramex balance sheet evolution

Total Asset (AED m) →

Aramex has consistently grown its balance sheet. Driven mainly by acquisitions, Aramex will continue to increase leverage.

We will continue to maintain a prudent approach towards managing our debt.

Debt*/ Equity at 32.0% as of 31 March 2017.



*Debt for this purpose consists of interest-bearing short & long term liabilities

Aramex management proposes to pay a dividend of AED 0.16 for 2016

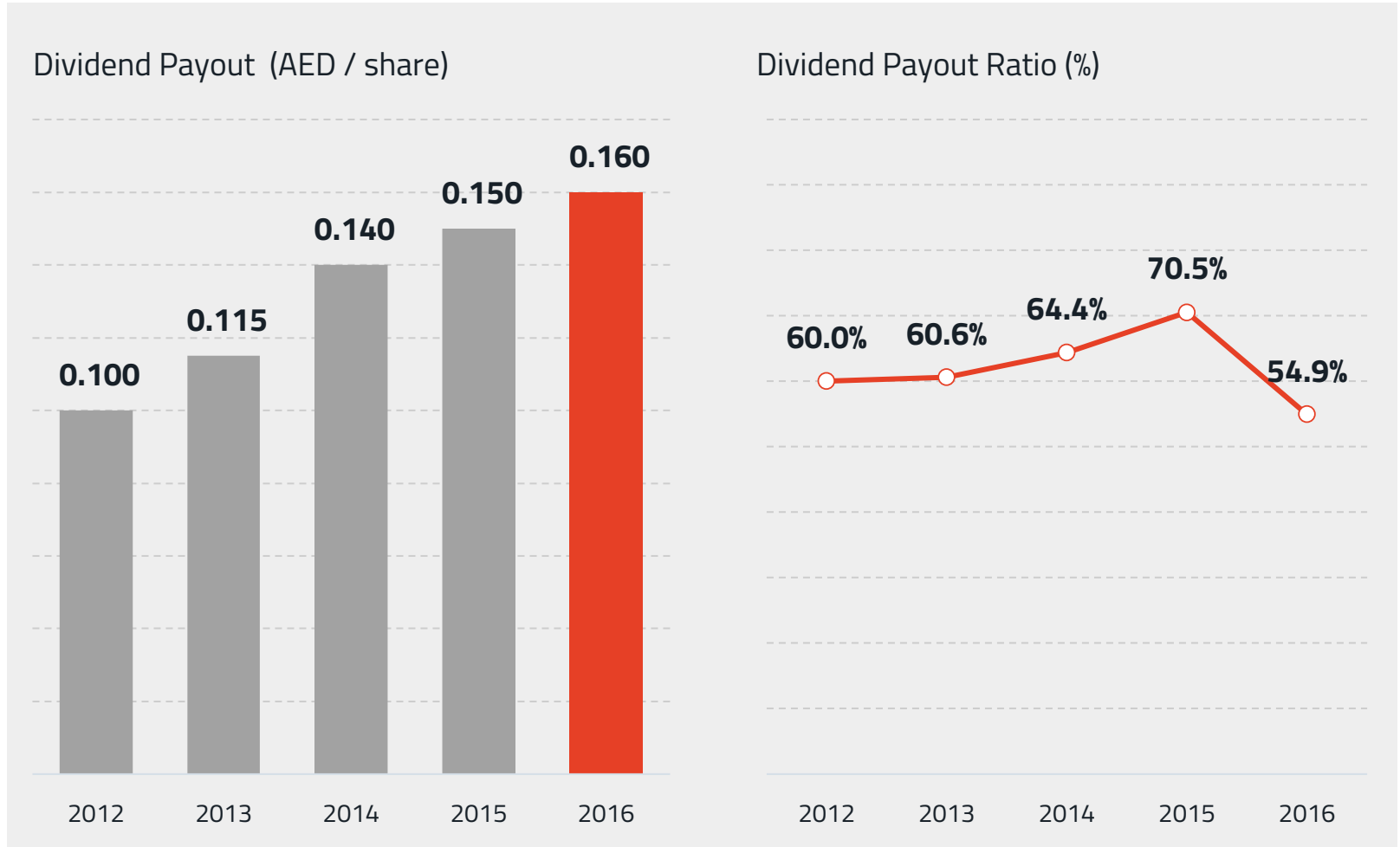
Dividends →

Dividend proposal of AED 0.160 per share to be approved by shareholders at AGM on 19 Feb 2017

Gross dividend yield: 3.9%

Long-term management target:

Dividend payout ratio of > 50%



Aramex shareholders rewarded by long term performance

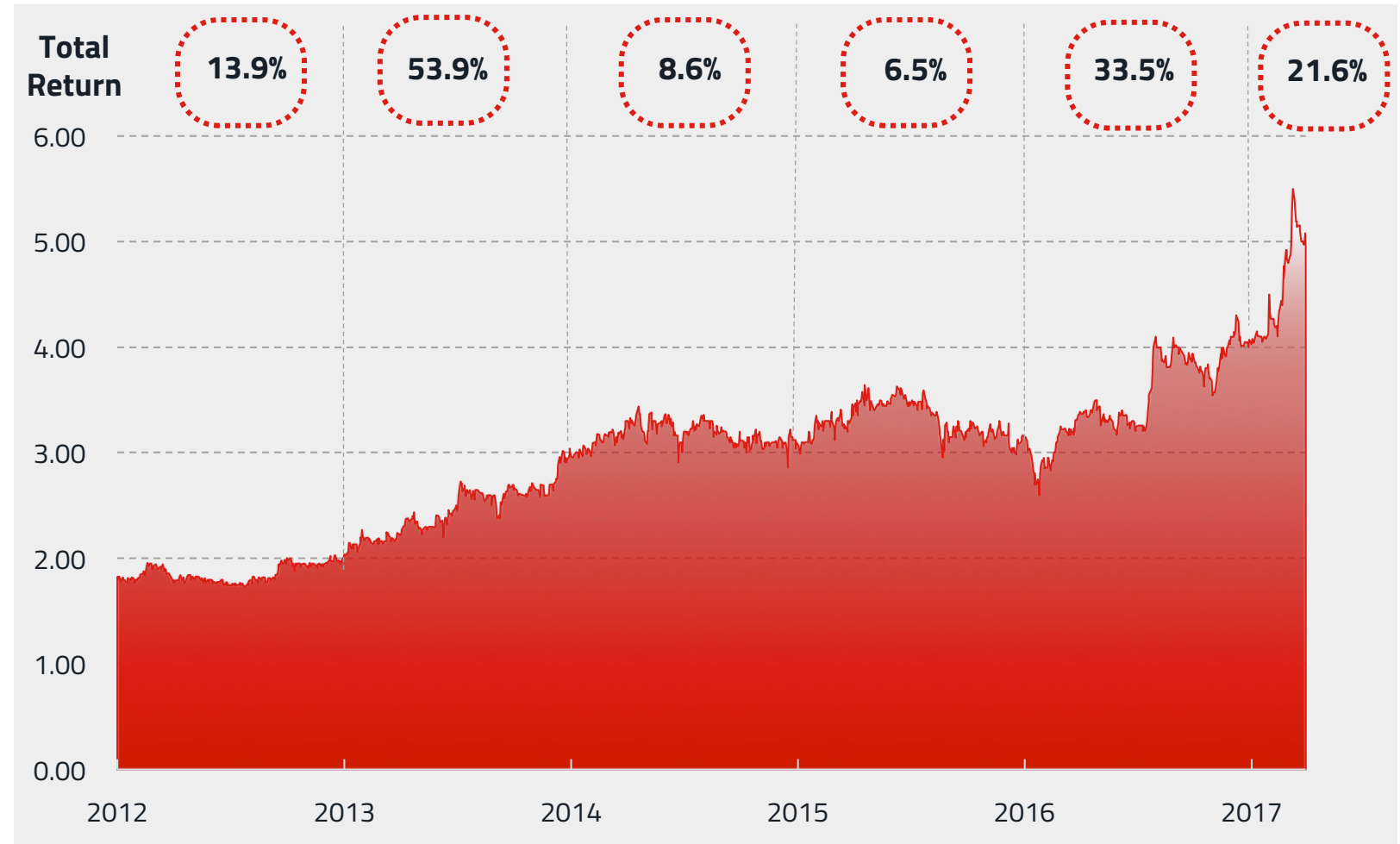
Performance (Jan 2012-Mar 2017) →

Share Price Change: 175.0%

Annualized return: 21.2%

Total Return
(dividends reinvested): 231.2%

Annualized Total Return:
(dividends reinvested) 25.6%





Management Outlook

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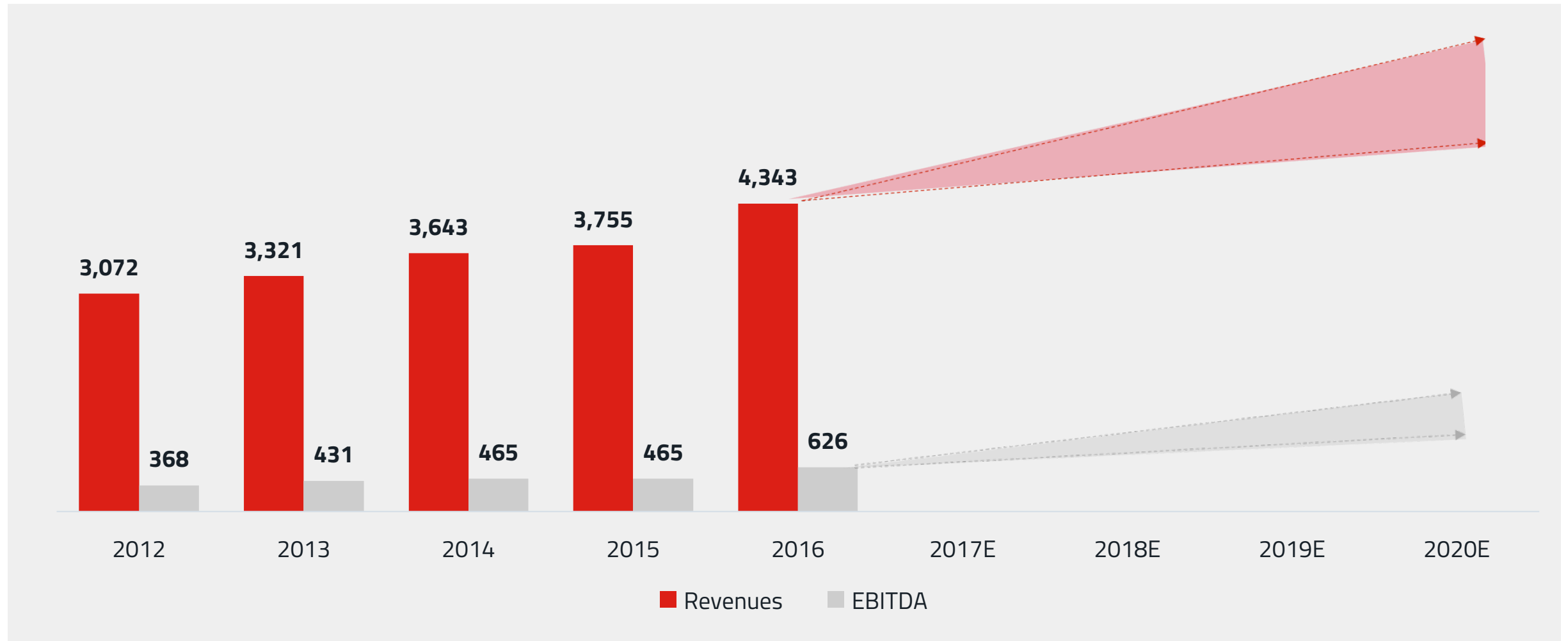
The Way Forward: Management Priorities

Grow the business	Consistent profitability	Shareholder participation
Focus on innovation and technology →	Focus on operational excellence →	Continue with our progressive dividend policy →
Grow eCommerce Portfolio →	Variabilization of cost structure →	Target Payout Ratio: > 50% →
Organic growth plus acquisitions →	Actively manage FX volatility →	
Attractive growth markets →		

Management Ambition: Guidance

	2016 Targets	2016 Actual	2017 Targets
Express	Double-digit growth	↑ 22% AED 1,687 m	Double-digit growth
Freight Forwarding	Slight decrease	↓ 6% AED 1,131 m	Single-digit decrease
Domestic	Double-digit growth	↑ 35% AED 981 m	Single-digit growth
Logistics	Slight increase	↑ 29% AED 265 m	Double-digit growth
Other	Slight increase	↑ 22% AED 279 m	Single-digit growth
Total	Considerable increase	↑ 16% AED 4,343 m	Double-digit growth

Long Term Ambition Level – Projected Roadmap to 2020



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