

INVESTOR PRESENTATION

Q2 2023 Financial Results



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1. Aramex at a Glance
2. Key Highlights of Q2 2023
3. Q2 2023 Product Breakdown
4. Q2 2023 Group Financial Results

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



16,000+

Employees



65+

Countries

600+

Offices

USD 378M

Revenues Q2 2023

USD 1.1 B

Market Cap on 30 June 2023



International Express

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



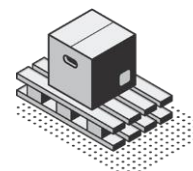
Freight Forwarding

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



Domestic Express

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



Logistics & Warehousing

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



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.

aramex
express

aramex
DOMESTIC

~66% of Revenue

aramex
LOGISTICS

aramex
FREIGHT

~33% 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.

*Approximately 1% of global revenues are from Other activities

An aerial photograph of a vast, arid desert landscape. The terrain is a mix of orange, brown, and tan hues, with winding roads and some sparse vegetation. A red Aramex truck is visible on a road in the upper center of the frame. The sky is filled with soft, white clouds. The Aramex logo is visible on the side of the truck and in the top right corner of the image.

aramex

IN THE MIDDLE EAST OF IT ALL

AN ARAMEX DOCUMENTARY | 40 YEARS OF OPERATIONS

Click [here](#) to watch the video.



Q2 2023 Key Highlights



Aramex announces Group revenues of USD 378m and stable margins for the second quarter of 2023, in a challenging market environment. We prioritize cost management in line with volume evolution, while G&A will be further optimized in H2 2023.

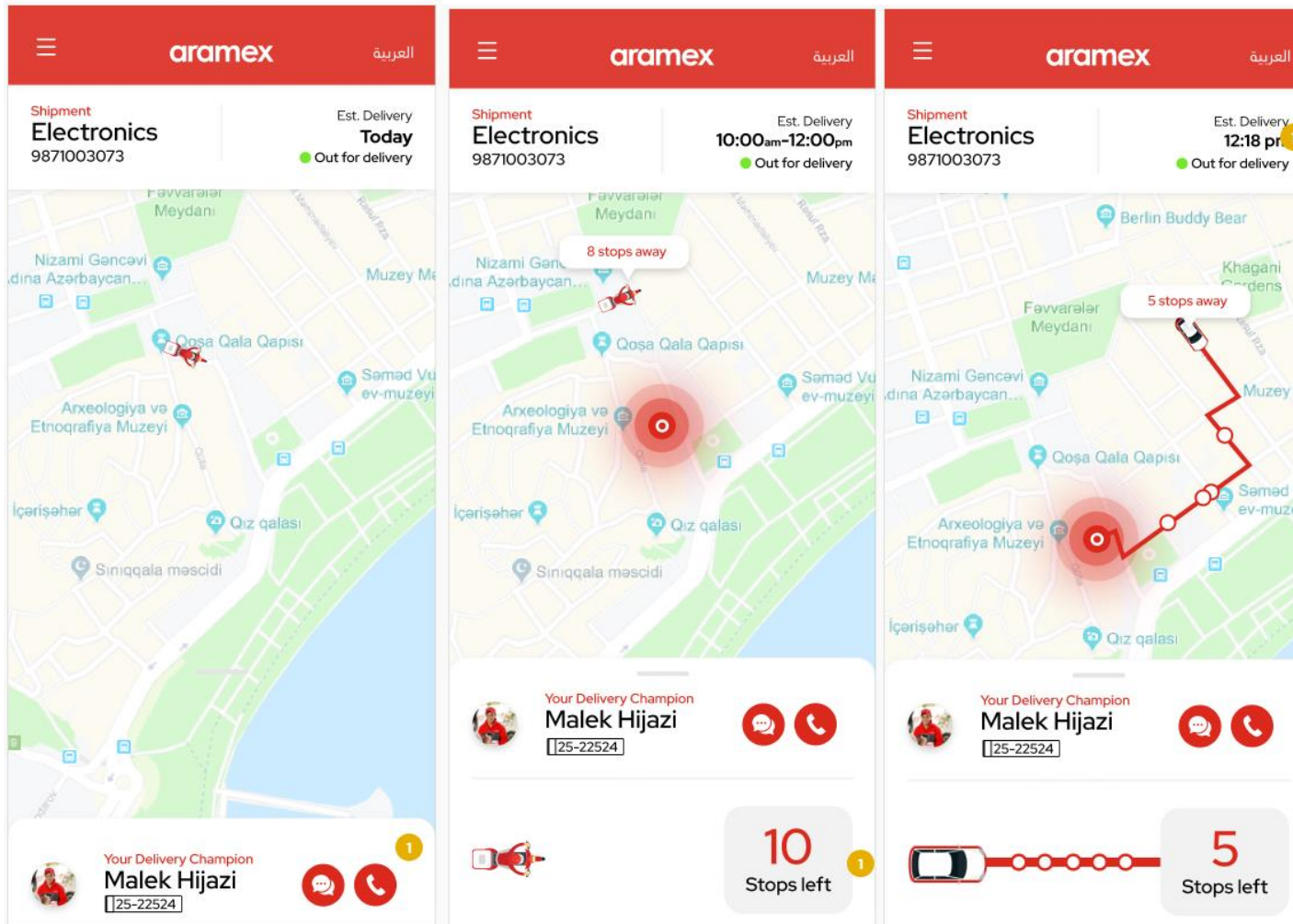
Group Highlights

- Revenue was USD 378m in Q2 2023, down from USD 413m in Q2 2022, with USD 13.3 million decline attributed to currency devaluations.
- The Company's focus on quality revenues, operational efficiency and cost management delivered stable margins, with a Gross Profit Margin of 25%, and an EBITDA margin of 10%.
- Further cost actions are being prioritized; Organic G&A is expected to decline to pre-pandemic levels by FY 2023; while in Q2 2023 organic G&A was down 12% YoY
- Aramex's strategically balanced geographical presence is a key advantage; the GCC remains the highest contributor to Group revenues with a share of 39% of total revenues, with this market also reporting 3% growth in Gross Profit in Q2 2023.
- The Company remains robustly positioned with a healthy cash balance of USD 137 million and a strong balance sheet with a net debt-to-EBITDA ratio of 2.6x.

Product Highlights

- International Express improved revenue per shipment, and increased the GP margin to 34%, while overall trends in international express remain challenging.
- Domestic Express was resilient, reporting growth in volumes, while revenues increased 3% when excluding the foreign exchange impact.
- Freight Forwarding delivered a three percentage points improvement in the Gross Profit Margin to 16%, while the EBIT and EBITDA margins remained stable despite the softness at the topline in line with the drop in industry freight rates.
- Logistics and Supply Chain Solutions was resilient with solid revenues, while the GP Margin of 15% and EBITDA margin of 22% were stable when compared to the average 2022 margins. Revenue grew 2% when excluding the foreign exchange impact.
- We continue to prioritise investments to support the long term growth opportunities for the business – operational efficiency across all products, automation and technology rollout, expansion of our warehouse business, and accretive M&A.

Technology Highlights | Real Time Tracking for Last Mile Deliveries

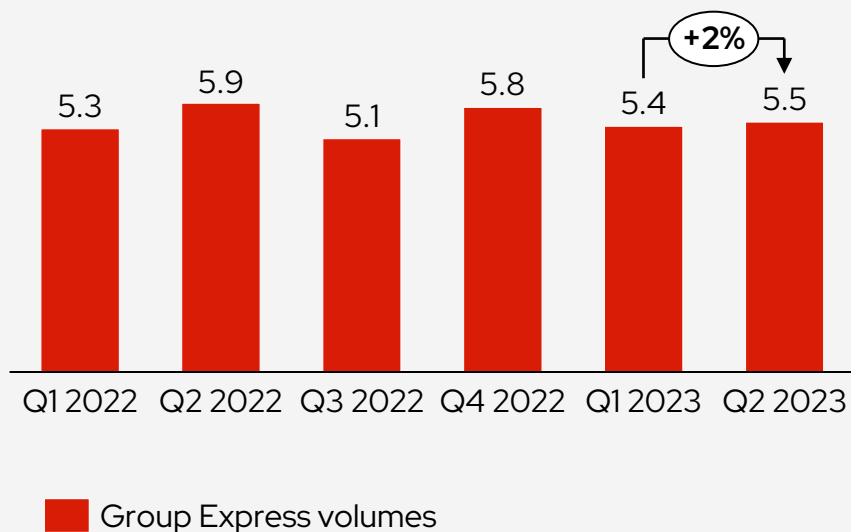


- Aramex is the first logistics company in the GCC to test live tracking for last mile delivery, using the Mobility Services from Google Maps Platform and in partnership with OniGroup.
- The brand-new feature by Aramex is built upon a proprietary foundation - Aramex's own Geocoder - which utilizes machine learning and predictive AI to predict and generate precise delivery coordinates with the highest accuracy to increase delivery precision.
- This new feature leverages the strength of Google Maps and navigation to enable customers to track live location of Aramex's "Delivery Champions" from the last five stops until the shipment is delivered to their doorstep
- The successful beta testing phase for Aramex's last mile delivery live tracking is currently underway in the UAE. Once completed, Aramex is planning to roll out the solution across the GCC for all last mile deliveries, with a full-scale launch expected in 2024.

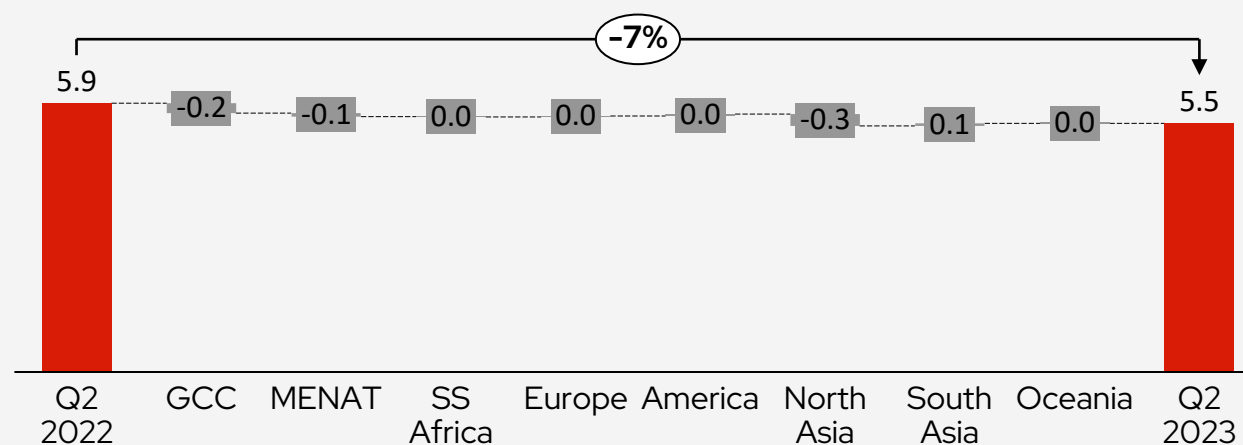


Product Breakdown

International Express Volumes (in million of shipments)



Geographic contributions to int'l express volumes in Q2 2023

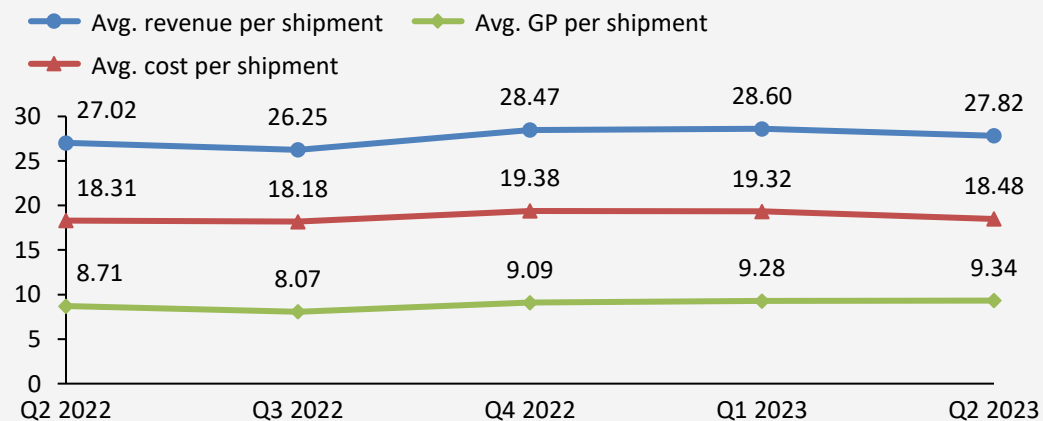


- The consolidated International express product delivered 5.5 million shipments in Q2 2023, a decline of 7% YoY, in line with the industry volume performance; 2% growth in shipments in Q2 2023 vs Q1 2023
- Overall, volumes were supported by the resilience of the business in the GCC, and growth in Europe, America and South Asia.

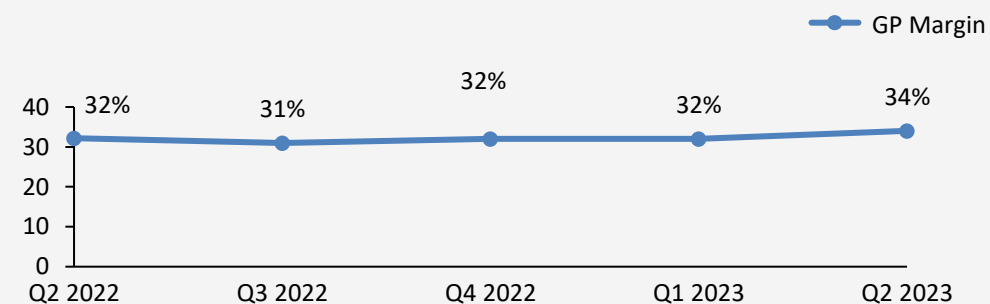
Quarter Financials (in USD thousands)

	Q2 2022	Q2 2023	Change
Revenue	160,222	152,764	(5%)
Total Direct Cost	108,567	101,486	(7%)
Gross Profit	51,655	51,278	(1%)
GP%	32%	34%	

Average KPIs per shipment

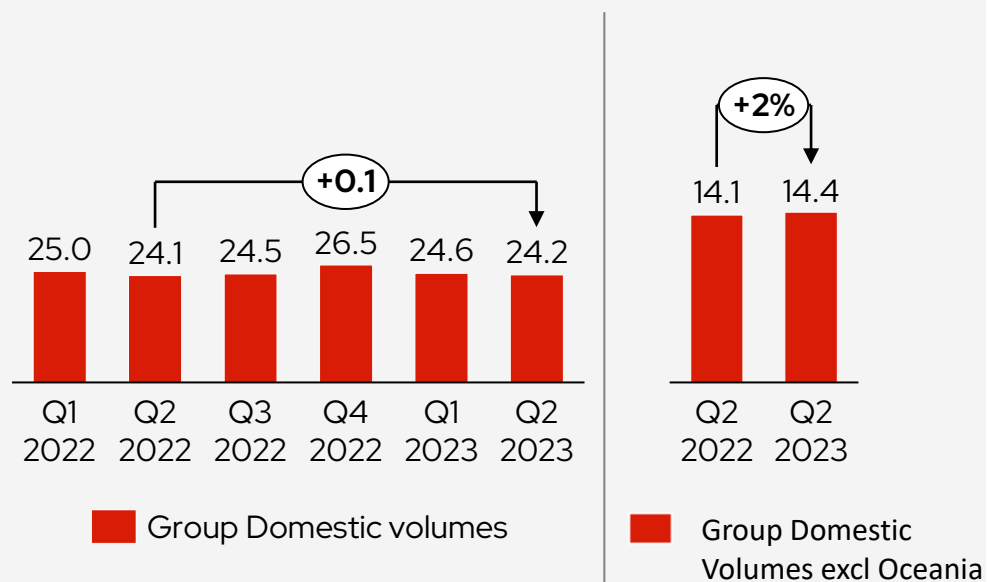


GP Margin and Commentary

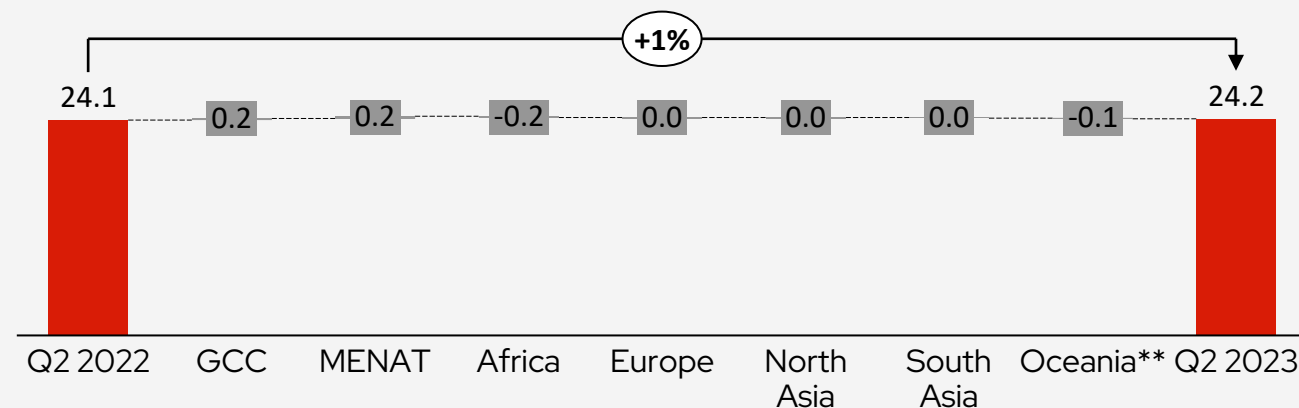


- Robust performance given the market environment, with good cost control and stable gross profit delivering GP margin improvement.
- The increase in revenue per shipment was due to 1) MyUS impact and 2) rate increases which was partially offset by the declines primarily associated with 1) the change in customer mix and 2) the drop in surcharges (C19 and fuel) and COD business (cash on delivery).

Quarterly Domestic Volumes (in million of shipments)



Geographic contributions to domestic volumes in Q2 2023



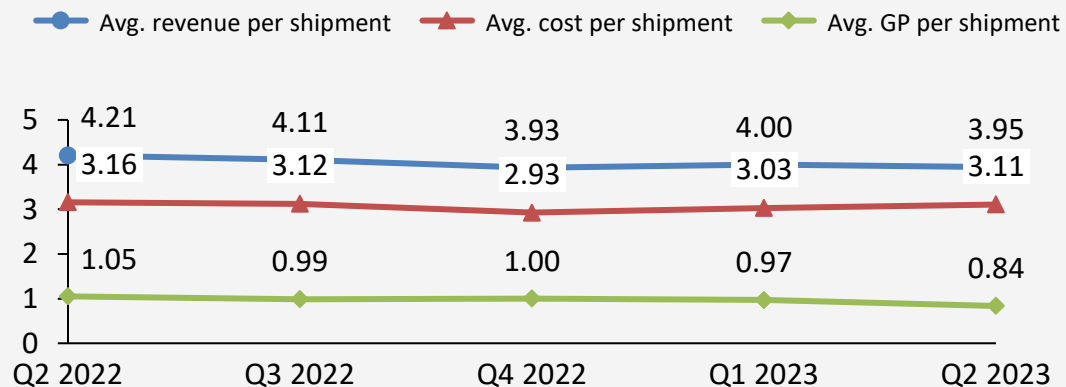
**Oceania restructuring plan is in place

- 24.2 million domestic shipments in Q2 2023, representing a growth of 1% YoY. Excluding Oceania, domestic volume growth was 2% in Q2 2023 compared to Q2 2022, driven by a good volume performance in the GCC, MENAT and South Asia.
- The turnaround plan for Oceania is expected to deliver significant upside to the domestic product, with Oceania accounting for 41% of total domestic express volumes

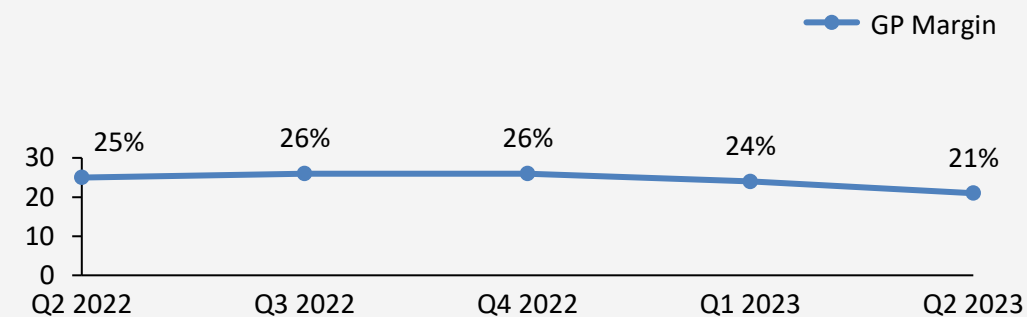
Quarter Financials (in USD thousands)

	Q2 2022	Q2 2023	Change
Revenue	101,425	95,677	(6%)
Total Direct Cost	76,094	75,367	(1%)
Gross Profit	25,331	20,310	(20%)
GP%	25%	21%	

Average KPIs per shipment



GP Margin and Commentary



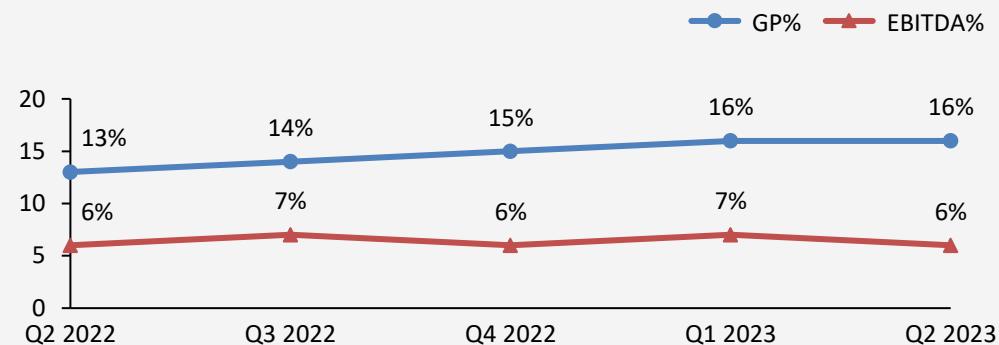
- The Domestic Express business was impacted by foreign exchange translation, with a negative impact of USD 9 million on Revenue and USD 3.4m on Gross Profit. Excluding FX, domestic revenue grew 3% and GP declined 6% in Q2 2023 compared to Q2 2022; with a corresponding GP margin of 23% in Q2 2023.
- Revenue per shipment benefitted from 1) increases in rates and customer mix which was offset by primarily 1) FX impact, and to a lesser degree, the 2) decrease in fuel surcharges.

Quarter Financials (in USD thousands) and Volumes

	Q2 2022	Q2 2023	Change
Revenue	117,739	97,645	(17%)
Total Direct Cost	101,974	82,233	(19%)
Gross Profit	15,766	15,412	(2%)
GP%	13%	16%	
EBIT	4,680	4,232	(10%)
EBIT%	4%	4%	
EBITDA	6,730	6,079	(10%)
EBITDA%	6%	6%	

- Land freight volumes are resilient, while sea freight volumes showed double digit growth. Industry sea freight rates declined significantly, leading to a shift in volumes from air freight, back to sea freight.
- Increased operational efficiency drives improvement in GP margin to 16% while EBIT and EBITDA margins are stable despite the softness at the topline.

Freight Margins and Volumes



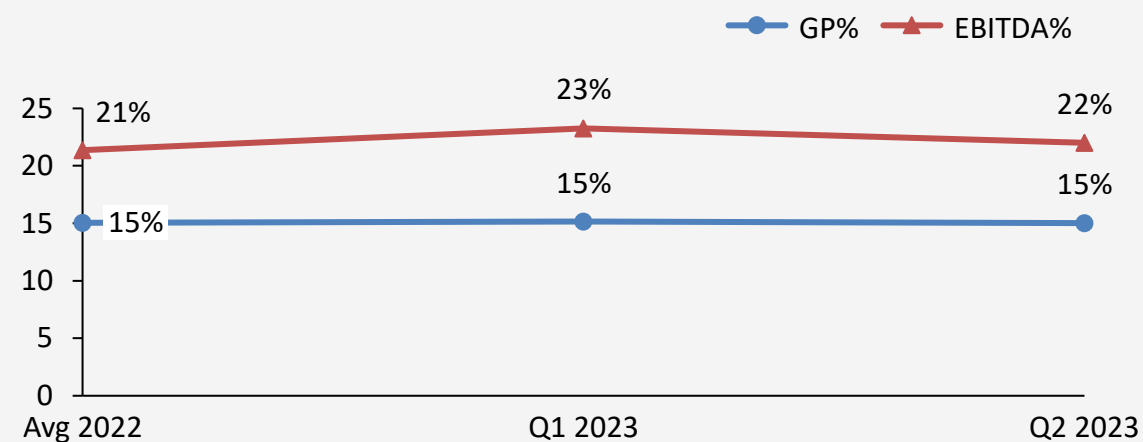
	Q2 2022	Q2 2023	Change
Land freight (FTL)	6,794	6,582	-3%
Land Freight (LTL KGs)	39,173,304	38,483,702	-2%
Sea Freight (FCL TEU)	6,833	8,039	18%
Sea Freight (LCL CBM)	4,033	5,576	38%
Air Freight (KGs)	16,432,000	10,813,056	-34%

Quarter Financials (in USD thousands)

	Q2 2022*	Q2 2023	Change
Revenue	30,430	28,921	(5%)
Total Direct Cost	22,685	24,484	8%
Gross Profit	7,745	4,438	(43%)
GP%	25%	15%	
EBIT	1,410	376	(73%)
EBIT%	5%	1%	
EBITDA	7,345	6,472	(12%)
EBITDA%	24%	22%	

*Q2 2022 was impacted by certain extraordinary items disclosed during the quarter

Logistics Margins

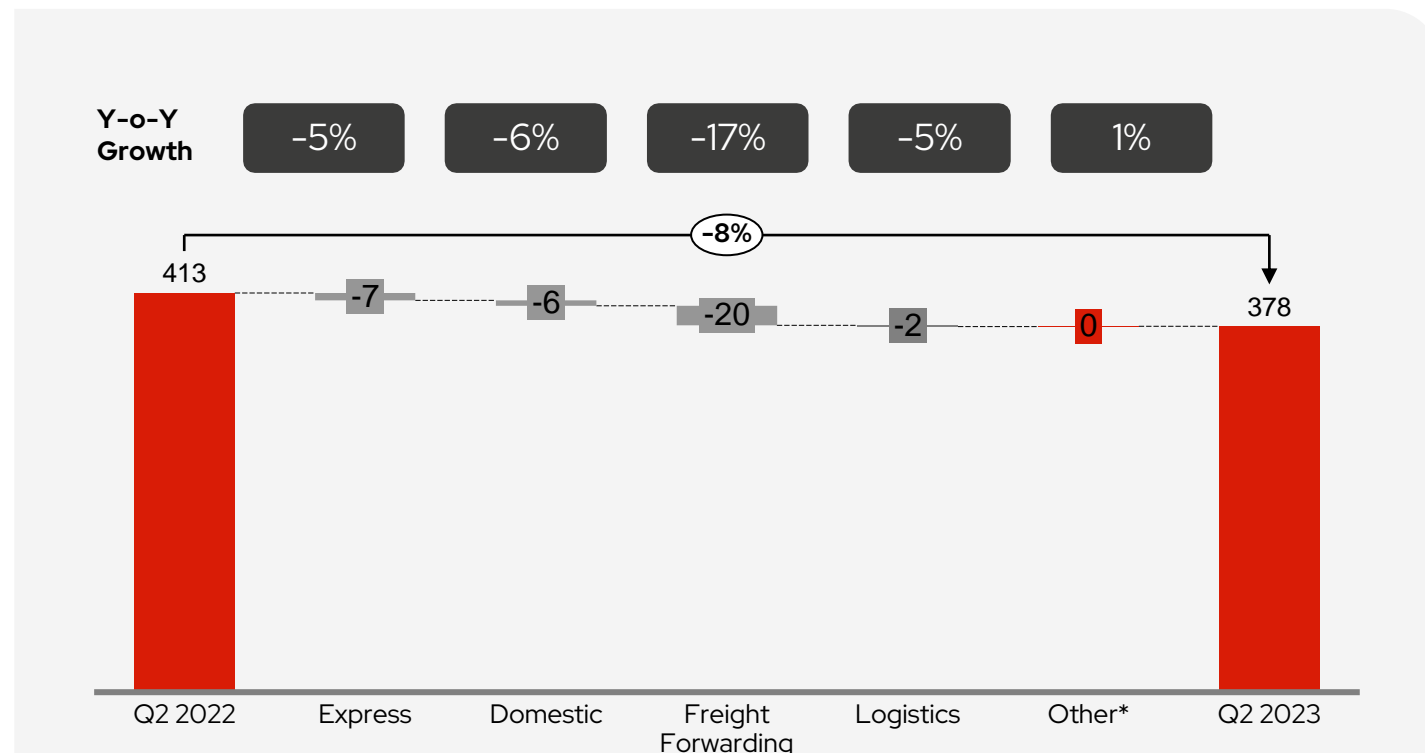
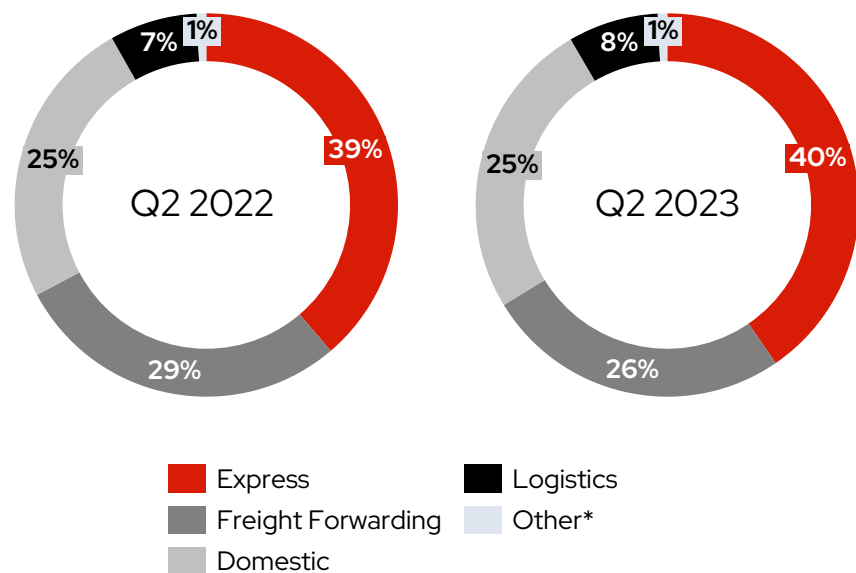


- Revenue was impacted by currency devaluations in Q2 2023, amounting to USD 2 million. Excluding FX, Revenue grew 2% YoY in Q2 2023. Revenues were stable compared to Q1 2023.
- Stable GP margin at 15%, compared to the average 2022 margin of 15% and to Q1 2023 margin of 15%, attributed to the company's focus on quality revenue and high growth verticals such as industrials and retail.

Group Financial Results



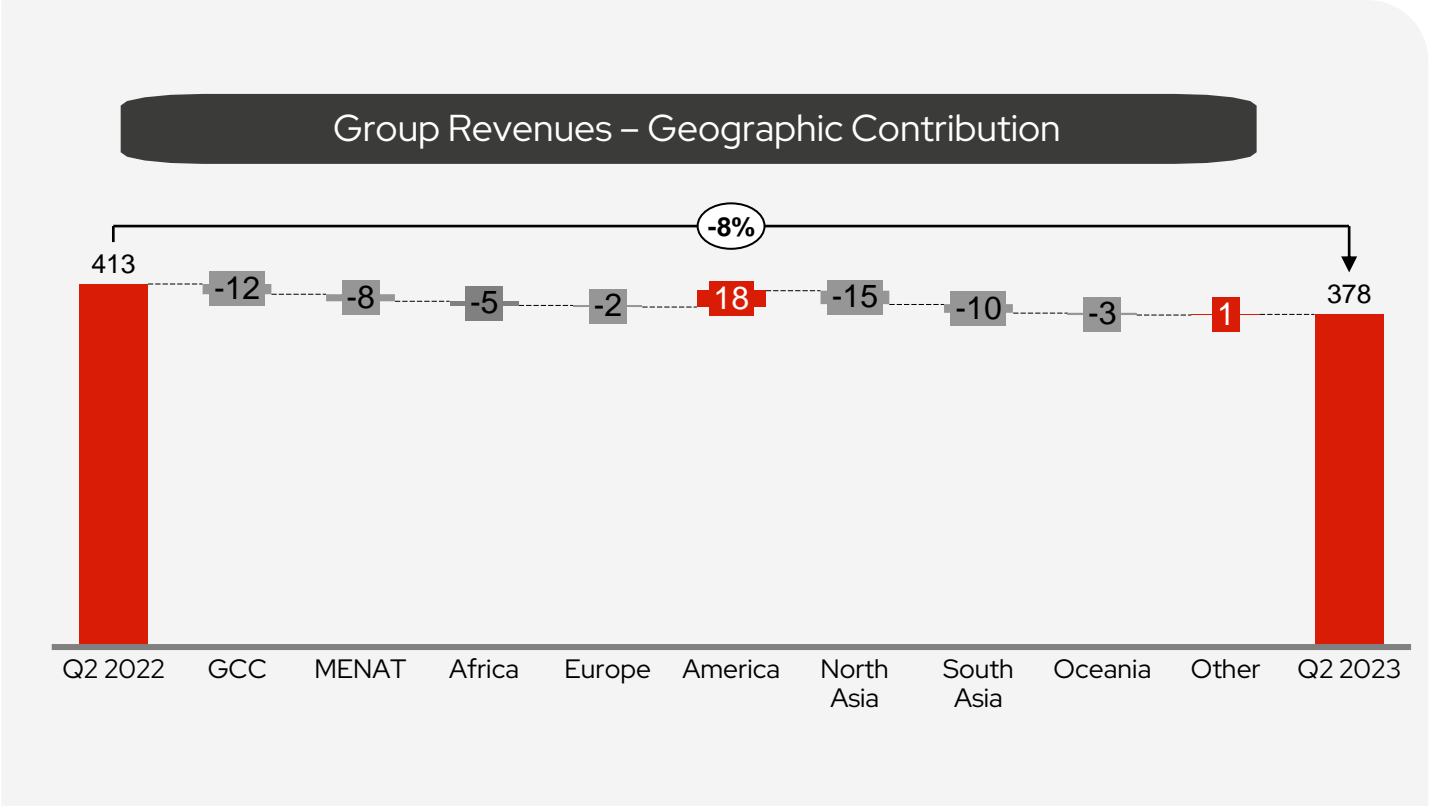
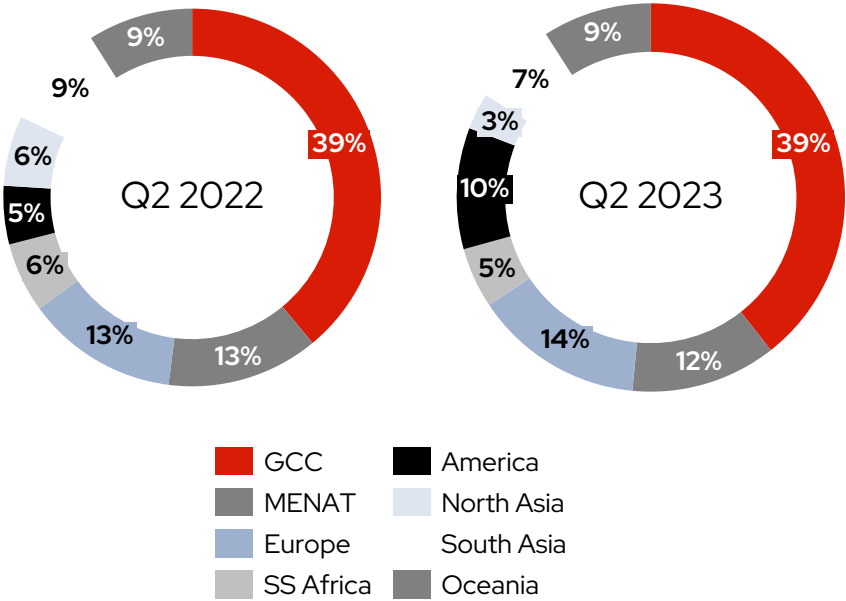
Revenues by Segment (USD m)



*Domestic Express Revenues were positively impacted by the reclassification of the "Other" Revenues. Other Revenues included, among others, Royalty and Franchisee revenues which are directly related to the Courier Business. The reclassification took place as management believes these revenues are directly attributable to the Courier Business and must therefore be reflected under Courier Revenues.

There is no impact on the condensed interim consolidated statement of profit or loss as a result of this change. The reclassification was done in Aug YTD 2022 and part of the revenue from the "others" segment from August YTD was allocated to Domestic in the subsequent quarters (Q3 2022, Q4 2022, Q1 2023) and for the corresponding quarters in the previous year.

Revenues by Geography (USD m)



Regional Breakdown | Q2 2023 vs Q2 2022

Regions (in thousands USD)

GCC		
Rev Ctrb to Group		39%
Rev & Grth	148,416	(7%)
GP & Grth	35,155	3%
Volumes	9,665,227	0%

MENAT		
Rev Ctrb to Group		12%
Rev & Grth	46,194	(15%)
GP & Grth	12,984	(16%)
Volumes	4,757,245	3%

Europe		
Rev Ctrb to Group		14%
Rev & Grth	51,847	(3%)
GP & Grth	7,641	(17%)
Volumes	1,499,506	2%

America		
Rev Ctrb to Group		10%
Rev & Grth	39,146	88%
GP & Grth	11,841	284%
Volumes	1,226,063	3%

SS Africa		
Rev Ctrb to Group		5%
Rev & Grth	19,725	(19%)
GP & Grth	7,595	(21%)
Volumes	1,399,693	(11%)

North Asia		
Rev Ctrb to Group		3%
Rev & Grth	10,448	(59%)
GP & Grth	2,435	(66%)
Volumes	228,739	(54%)

South Asia		
Rev Ctrb to Group		7%
Rev & Grth	26,824	(27%)
GP & Grth	5,489	2%
Volumes	1,067,432	4%

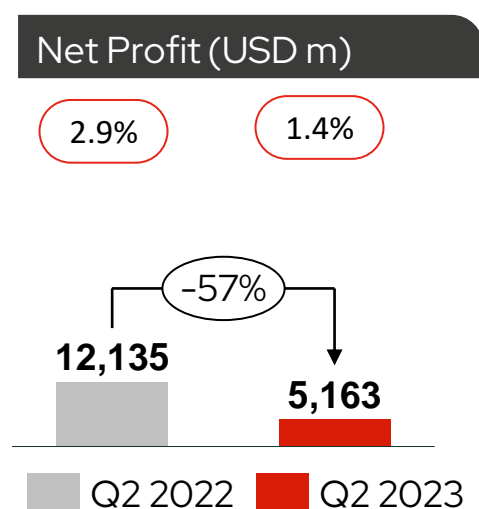
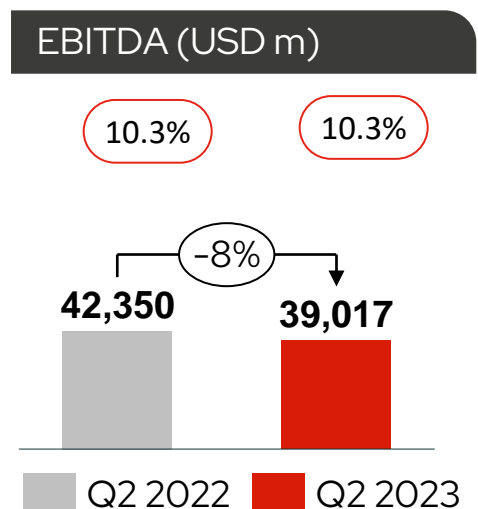
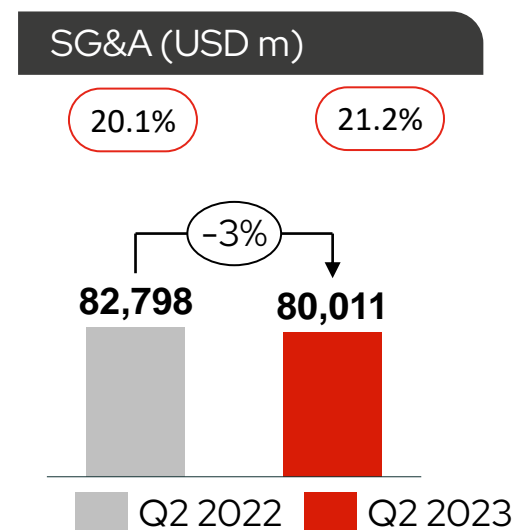
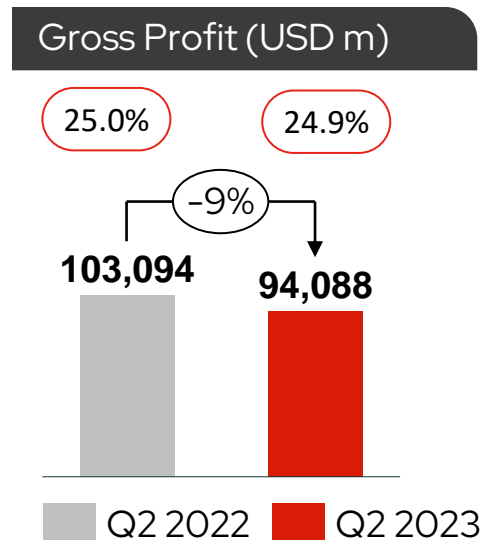
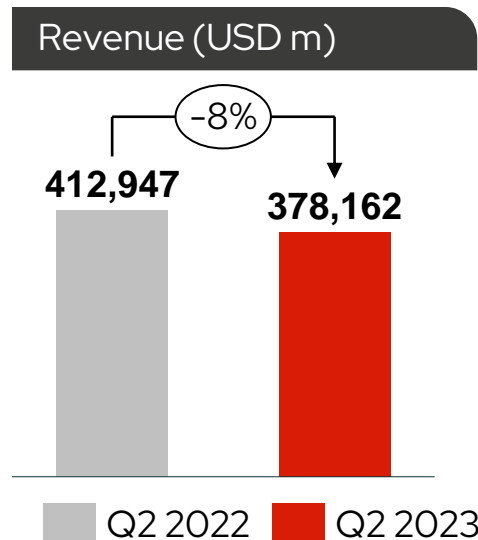
Oceania		
Rev Ctrb to Group		9%
Rev & Grth	32,878	(7%)
GP & Grth	5,138	(41%)
Volumes	9,879,498	(1%)

Revenues include revenues from all four product lines: International Express & SnS; Domestic Courier, Freight Forwarding and Logistics

Ctrb refers to regional revenue contribution to total group revenues.

Volumes: includes volumes from International Express (incl. SnS and MyUS) and Domestic Courier; all volume numbers are actuals

Financial & Performance Highlights | Group Highlights Q2 2023

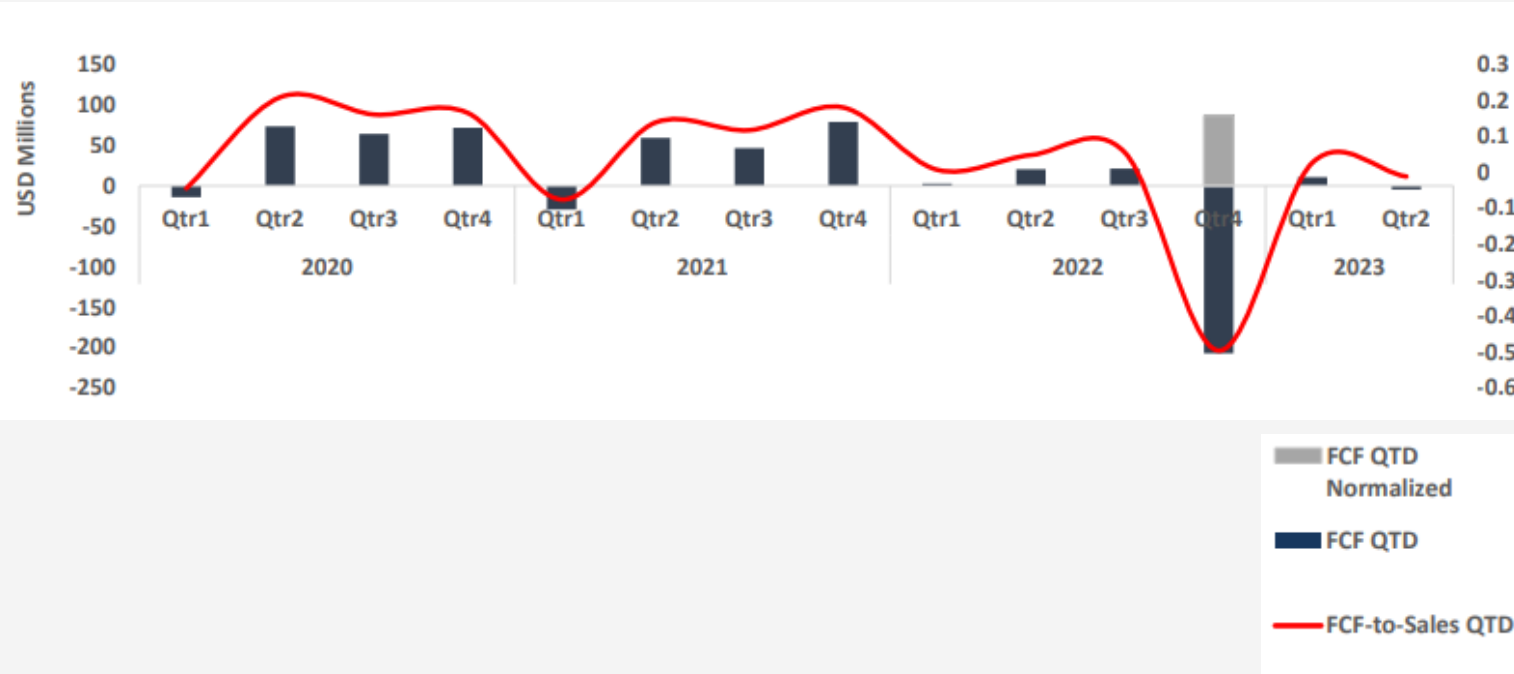


(X%) Represents Margin in % of Revenue

- Revenue was USD 378m, down 8% YOY, impacted by volume decline in line with industry trends, as well as USD 13.3 million in currency devaluation. Excluding FX, revenue decline was 5%.
- Gross profit declined 9% YoY, in line with the revenue softness. Gross Profit margins were maintained at 25%, reflecting Aramex's consistent investment in efficiency maximizing initiatives and cost optimization through the economic cycle.
- Consolidated Group SG&A decreased by 3% YoY. Organic SG&A (which excludes MyUS) declined by 12%, reflecting the Company's agility in cost management.
- Net Profit was USD 5.2m, compared to USD 12.1m in Q2 2022, impacted by the decline in revenues and an increase in finance expenses.
- Effective Tax Rate was 21% in Q2 2023, bringing the year to date tax rate to 27%.

FCF Evolution

Free Cash Flow = Cash Flow from Operating – (Lease Repayments + Interest Expense ROU) + CapEx



- Free Cash Flow in Q2 2023 was impacted by dividend payments and lower operating cashflow due to the decline in pre-tax income.
- Free Cash Flow in Q4 2022 includes the consideration paid for the acquisition of MyUS.
- Normalised Free Cash Flow in Q4 2022 was \$72 million, representing 4.5% of sales and indicating the start of a good recovery compared to 2021
- Normalizations applied to FCF in Q4 2022 include the MyUS acquisition cash outflow, and certain 2021 non-recurring items including the proceeds from the sale of InfoFort

Financial & Performance Highlights | Healthy balance sheet, conservative leverage, and strong cash position

Balance Sheet Highlights (in USD thousands)

	30 June 2023	31 Dec 2022	Change	Change %
Current assets	504,981	594,401	(89,421)	-15%
Assets held for sale	1,600	1,789	(188)	-11%
Non-current assets	1,067,677	1,062,718	4,959	0%
Total assets	1,574,259	1,658,908	(84,650)	-5%
Current liabilities	359,145	412,500	(53,356)	-13%
Liabilities held for sale	1,067	1,336	(269)	-20%
Non-current liabilities	564,433	559,349	5,084	1%
Total liabilities	924,645	973,185	(48,541)	-5%
Non-controlling interest equity	2,008	2,414	(406)	-17%
Equity Attributable to equity holders	647,606	683,310	(35,704)	-5%
Total equity	649,614	685,724	(36,110)	-5%
Key Ratios				
Net Debt TO EBITDA	2.6x	2.3x		
Debt to Equity	88.4%	87.5%		
Debt to Equity (Excluding IFRS 16)	48.1%	50.10%		

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