



# Investors Presentation FY & Q4 Results



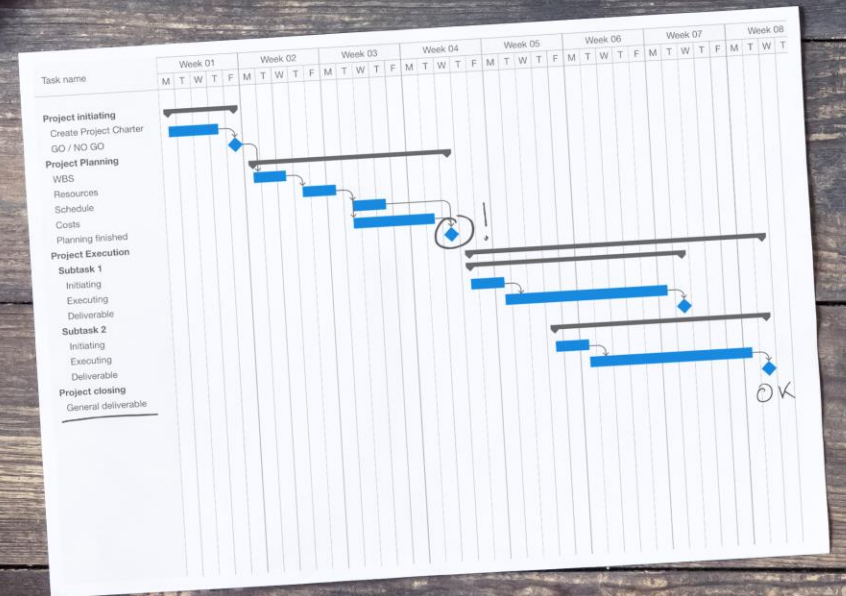
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# Management Update





# Aramex is a Global Provider of Logistics and Transportation Solutions

15,623 Employees

600+ Offices in 65+ Countries

AED 5.1 Billion Revenues

AED 6.3 Billion Market Cap

## 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.

## International Express

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

## Freight

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.

## E-Commerce

Aramex works round-the-clock to serve e-businesses of all sizes. From customized solutions for the checkout, order fulfilment, customs clearance, international shipping, and last mile delivery to returns management.

# Aramex Shareholders were Rewarded by Good TSR

Closing Price Q4 2018

**AED 4.29**

Total Return Metrics

**-4.65%**

YTD 2018 share price increase and total shareholder return (dividend reinvested)

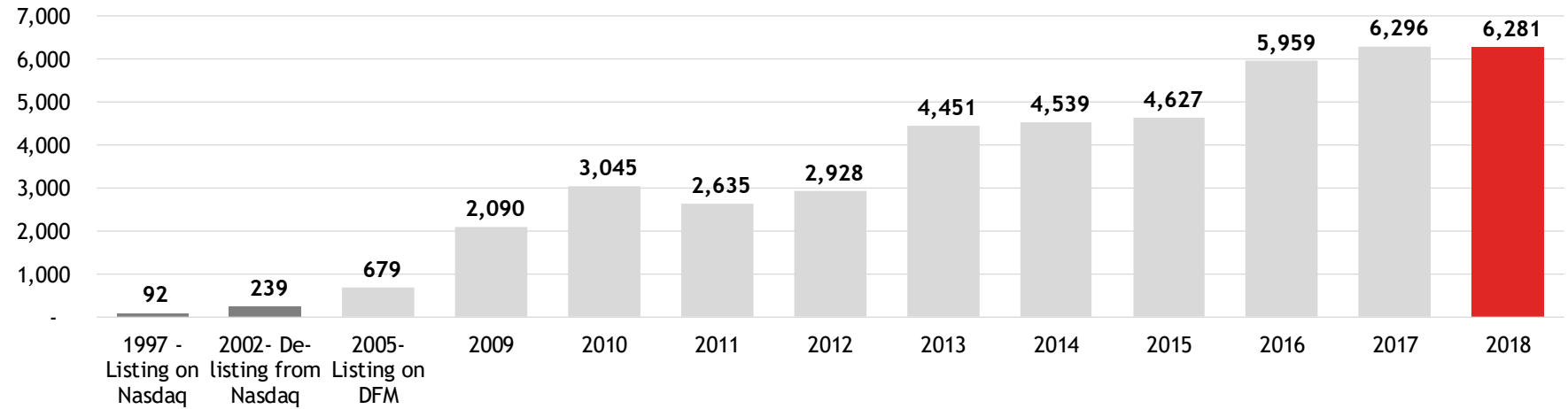
**0.24%**

2018 share price increase

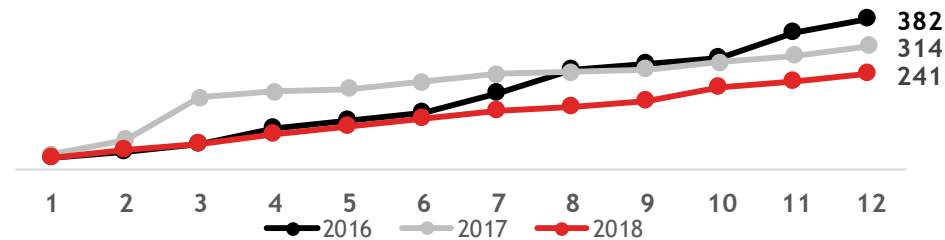
**3.77%**

2018 total shareholder return (dividend reinvested)

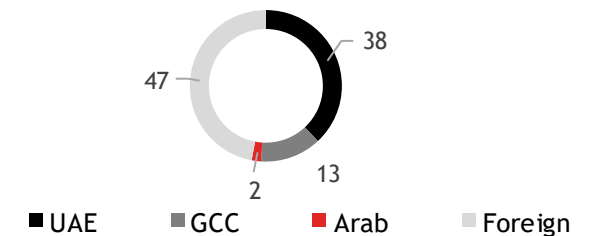
Market Capitalization (AEDm)









Aramex cumulated traded volume (million shares)



Geographic Ownership



Management Delivers on overall 2018 Revenue Targets

		2017 Actual		2018 Target		2018 Actual	
Express		↑ 19%	AED 2,006 m	Double-digit growth		↑ 13%	AED 2,273 m
Freight Forwarding		↑ 2%	AED 1,157 m	Single-digit growth		↑ 1%	AED 1,164 m
Domestic		↑ 4%	AED 1,022 m	Single-digit growth		↑ 3%	AED 1,051 m
Logistics		↓ 2%	AED 260 m	Single-digit growth		↑ 16%	AED 302 m
Other		↓ 2%	AED 275 m	Single-digit growth		↑ 8%	AED 296 m
Total		↑ 9%	AED 4,721 m	Double-digit growth		↑ 8%	AED 5,086 m

Focus Area

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

## Expand Footprint

Develop & define 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

## Expand Footprint

Develop & define our stronghold in GCC & Levant

Expand Aramex presence in Asia Pacific and Africa

Globalize the Aramex brand in emerging markets

## Leverage Infrastructure

Grow eCommerce business

Integrate supply chain management solutions and value added services

Leverage the existing infrastructure to create new business opportunities

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## Expand Footprint

Develop & define our stronghold in GCC & Levant

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## Organic Growth

Continue to deliver operational excellence

Accelerate organic expansion building on strength and value of the Aramex brand

Short term investment in people and systems to take advantage of long-term growth opportunities

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



# Q4 2018 Results



Strong Top and Bottom Line Performance

Q4 2018 Results

Revenues

8% growth compared to Q4 2017

EBITDA

15% year on year headline EBITDA growth

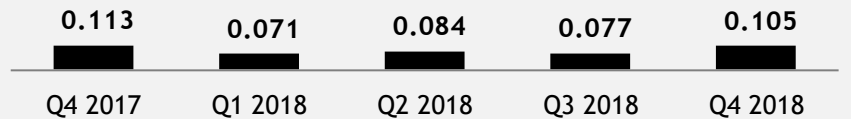
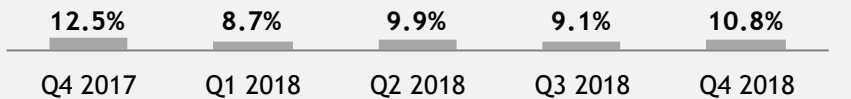
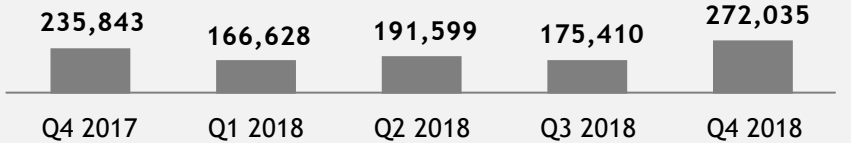
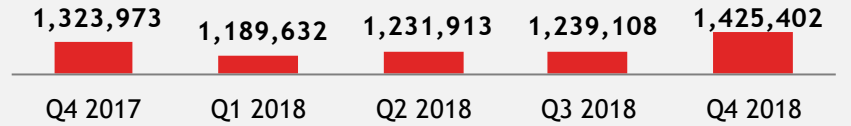
Net Profit Margin

-166 bp margin improvement year on year

EPS

-7% earnings per share increase

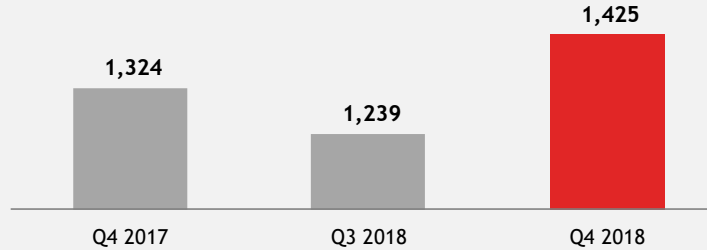
Performance across key indicators (AED)



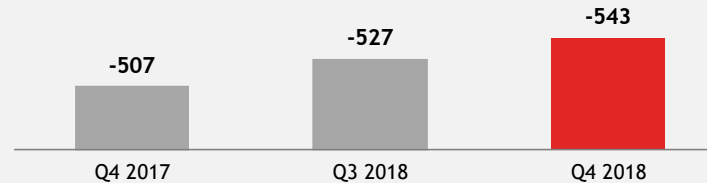
Management Comments

- Revenue growth in Q4 2018 was contributed by most of our regions, supported by the strong growth of cross-border e-Commerce business.
- Direct and indirect cost witnesses efficiencies due to our digital transformation strategy and the restructuring process.
- Net Income in Q4 2018 increased as a result of revenue growth and improved cost efficiency.

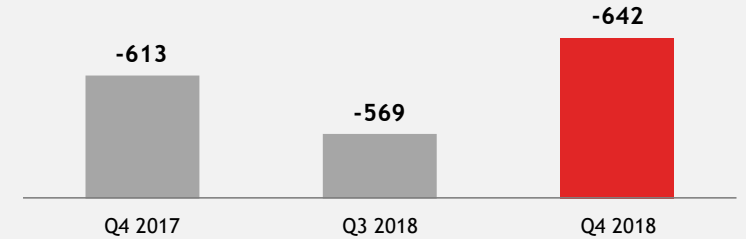
Revenue (AED m)



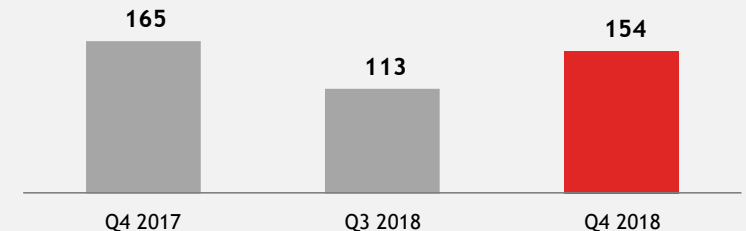
Total Overheads (AED m)



Cost of Revenues (AED m)



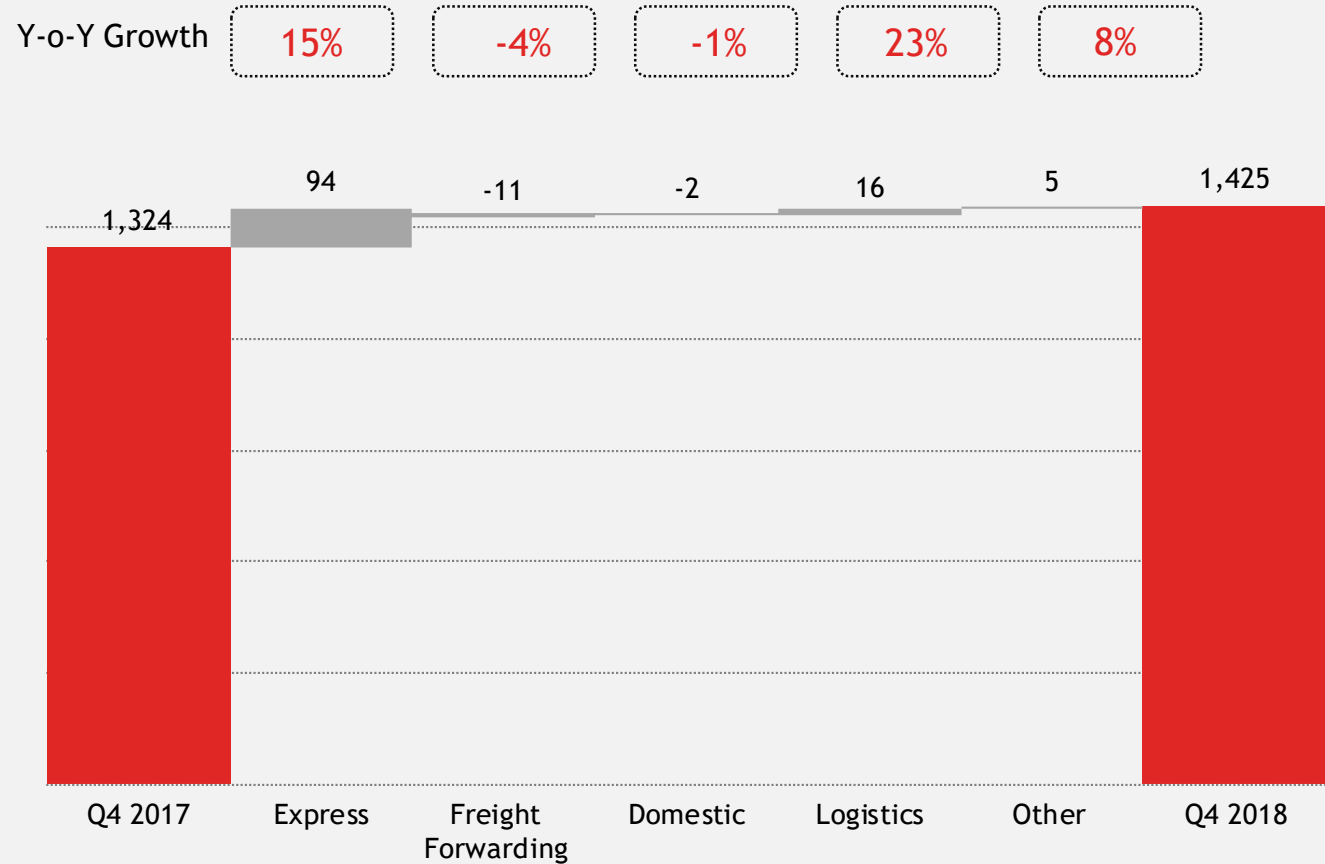
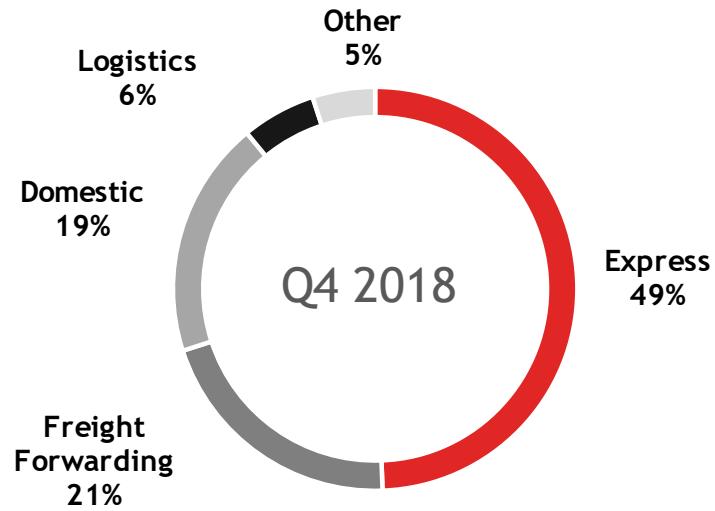
Attributable Net Profit (AED m)



Income Statement (AEDm)

	Q4 2018	Quarter		Movement (%)	
		Q3 2018	Q4 2017	q-o-q	y-o-y
Revenue	1,425	1,239	1,324	15%	8%
Cost of Revenue	(642)	(569)	(613)	-13%	-5%
Gross Profit	783	671	711	17%	10%
Overheads	(543)	(527)	(507)	-3%	-7%
Profit for the period	154	113	165	36%	-7%
EBITDA	272	175	236	55%	15%

Revenues by Segment (AED m)





### Revenues by Geography



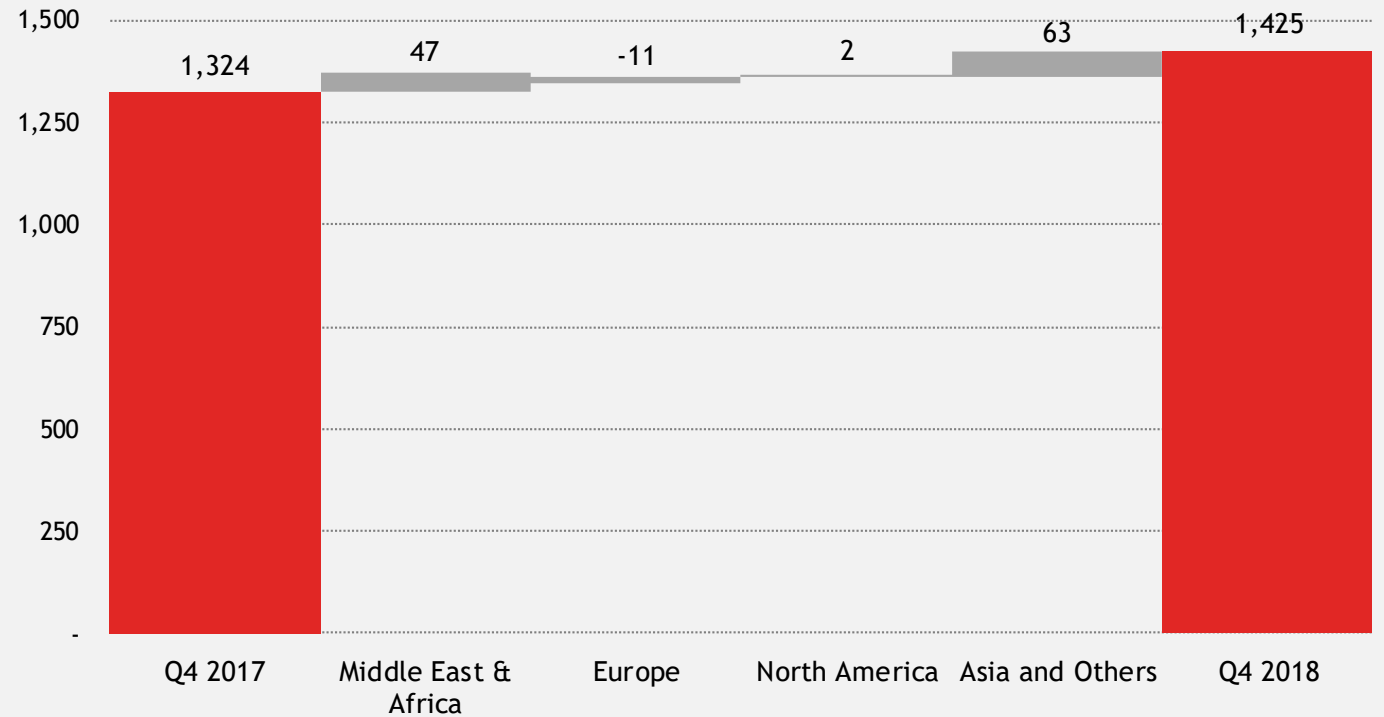
Y-o-Y Growth

6%

-7%

6%

18%



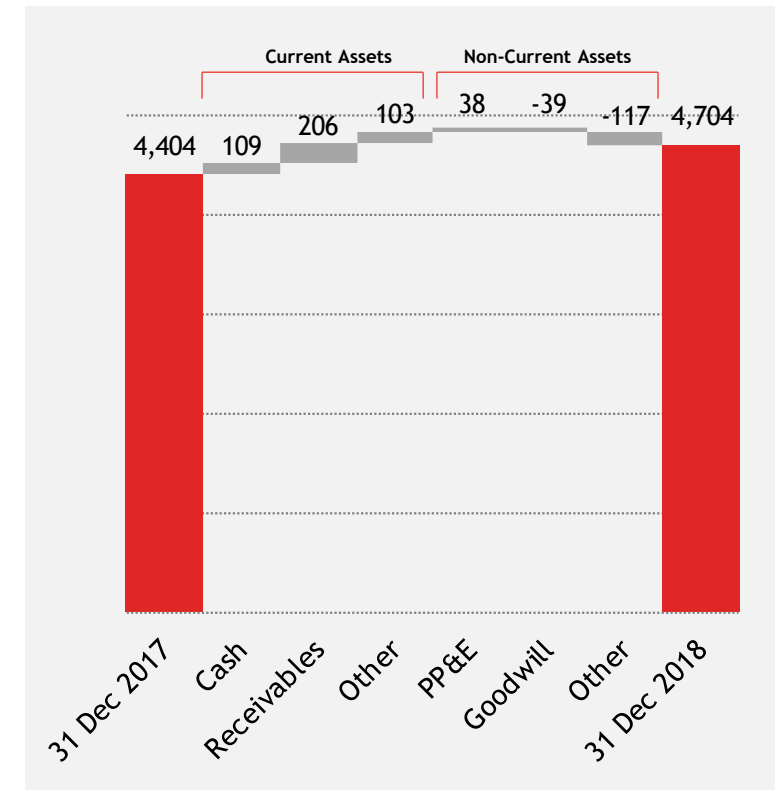
Financial Ratios (AEDm)

	Q4 2018	Q3 2018	Q4 2017	Movement (%)	
				q-o-q	y-o-y
EPS (AED)	0.105	0.077	0.113	36%	-7%
Gross Profit Margin %	54.9%	54.1%	53.7%	0.8%	1.3%
Net Profit Margin %	10.8%	9.1%	12.5%	1.7%	-1.7%
EBITDA Margin %	19.1%	14.2%	17.8%	4.9%	1.3%
Debt/Equity %	27.0%	26.5%	24.3%	-0.5%	-2.8%

Balance Sheet Highlights

	31 Dec 2018	31 Dec 2017	Movement	
			Actual	Change %
Current assets	2,330	1,911	418	22%
Non-current assets	2,374	2,493	-119	-5%
Total assets	4,704	4,404	300	7%
Current liabilities	1,862	1,368	494	36%
Non-current liabilities	410	517	-107	-21%
Total liabilities	2,272	1,885	387	21%
Non-controlling interest	22	19	3	17%
Shareholders' equity	2,410	2,500	-90	-4%

Asset Movement Y-o-Y (AED m)



## Financial Ratios (AEDm)

	31 Dec 2018	31 Dec 2017	Movement	
			Actual	in %
Cash and cash equivalents	837	728	109	15%
Receivables (net)	1,141	934	206	22%
Other current assets	353	250	103	41%
<b>Total current assets</b>	<b>2,330</b>	<b>1,911</b>	<b>418</b>	<b>21.9%</b>
Property, Plant and equipment (net)	950	912	38	4%
Goodwill (net)	1,125	1,164	-39	-3%
Other non-current assets	300	417	-117	-28%
<b>Total non-current assets</b>	<b>2,374</b>	<b>2,493</b>	<b>-119</b>	<b>-4.7%</b>
<b>Total assets</b>	<b>4,704</b>	<b>4,404</b>	<b>300</b>	<b>6.8%</b>



# Long Term Performance



Segmental Revenues (%)

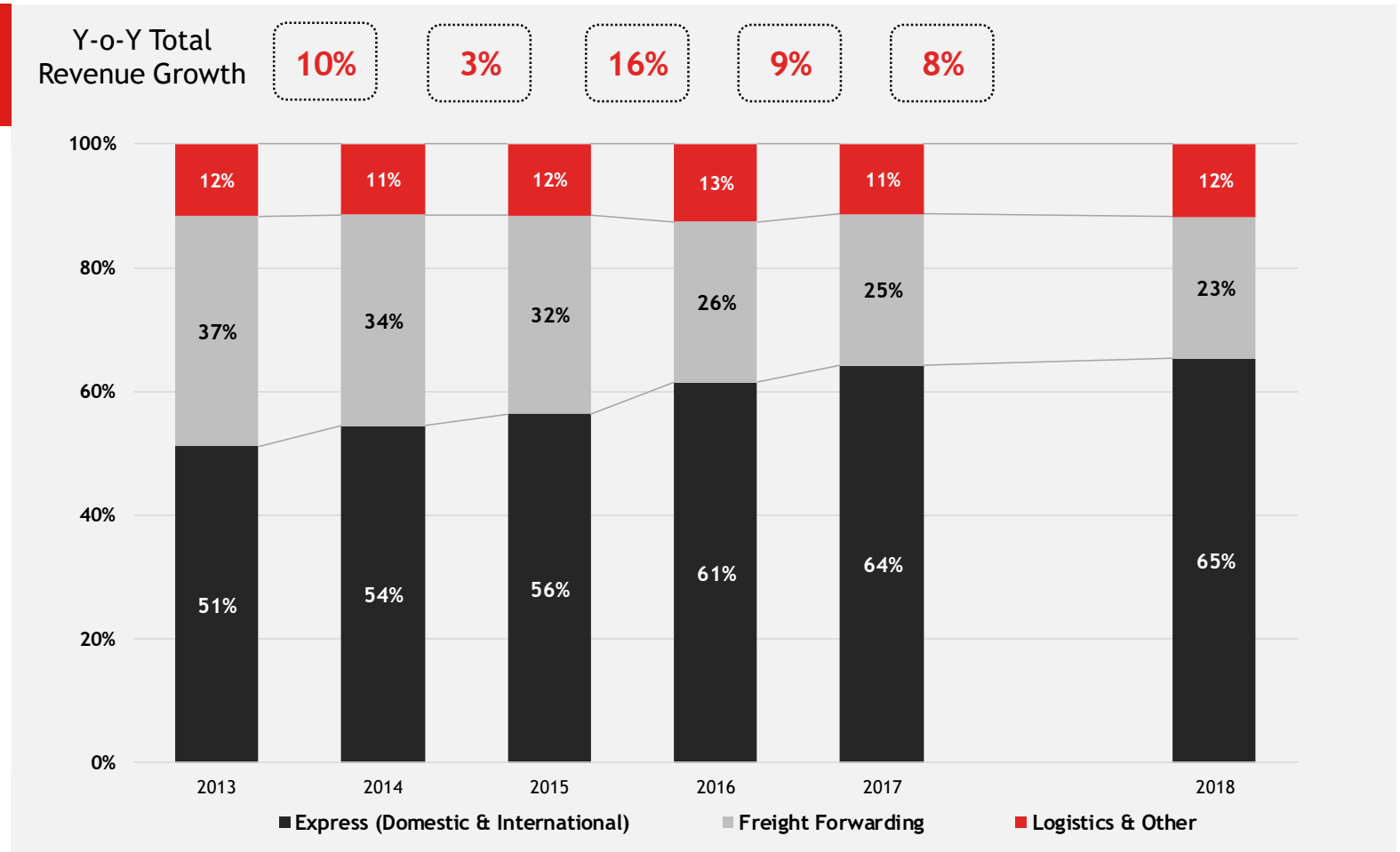
Express contribution to total revenues continues to grow, outgrowing all other businesses.

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

Express revenue contribution has grown from 51% to 65% as at 2018.

Freight forwarding continues to decline from 37% revenue contribution to 23%.

Management expects this trend to continue throughout 2019 and beyond.



## Aramex 2013 - 2018 (indexed)

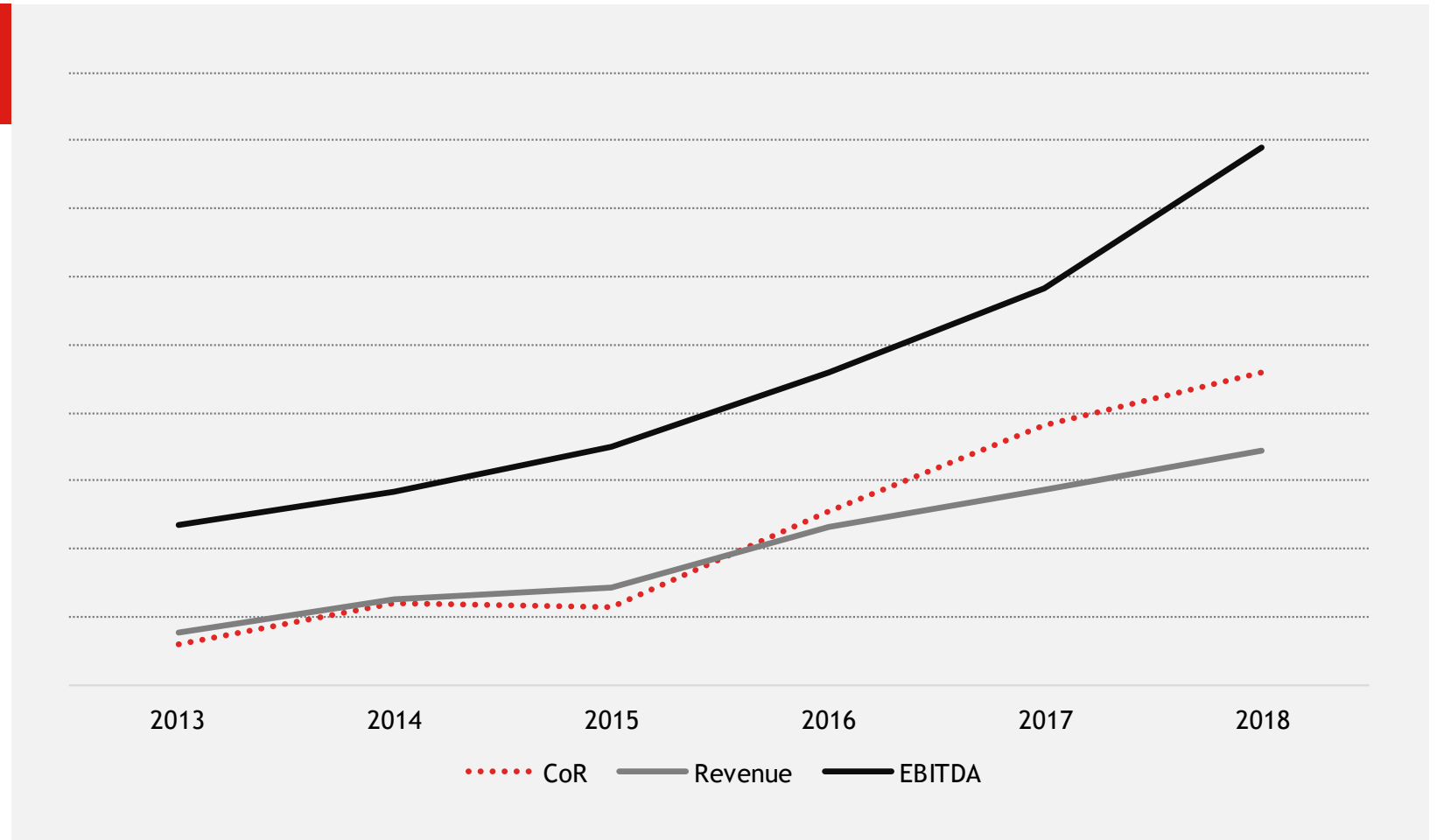
We delivered a consistently strong performance since 2013

2013 - 2018 CAGR

Revenues 8.9%

Cost of Revenues 8.8%

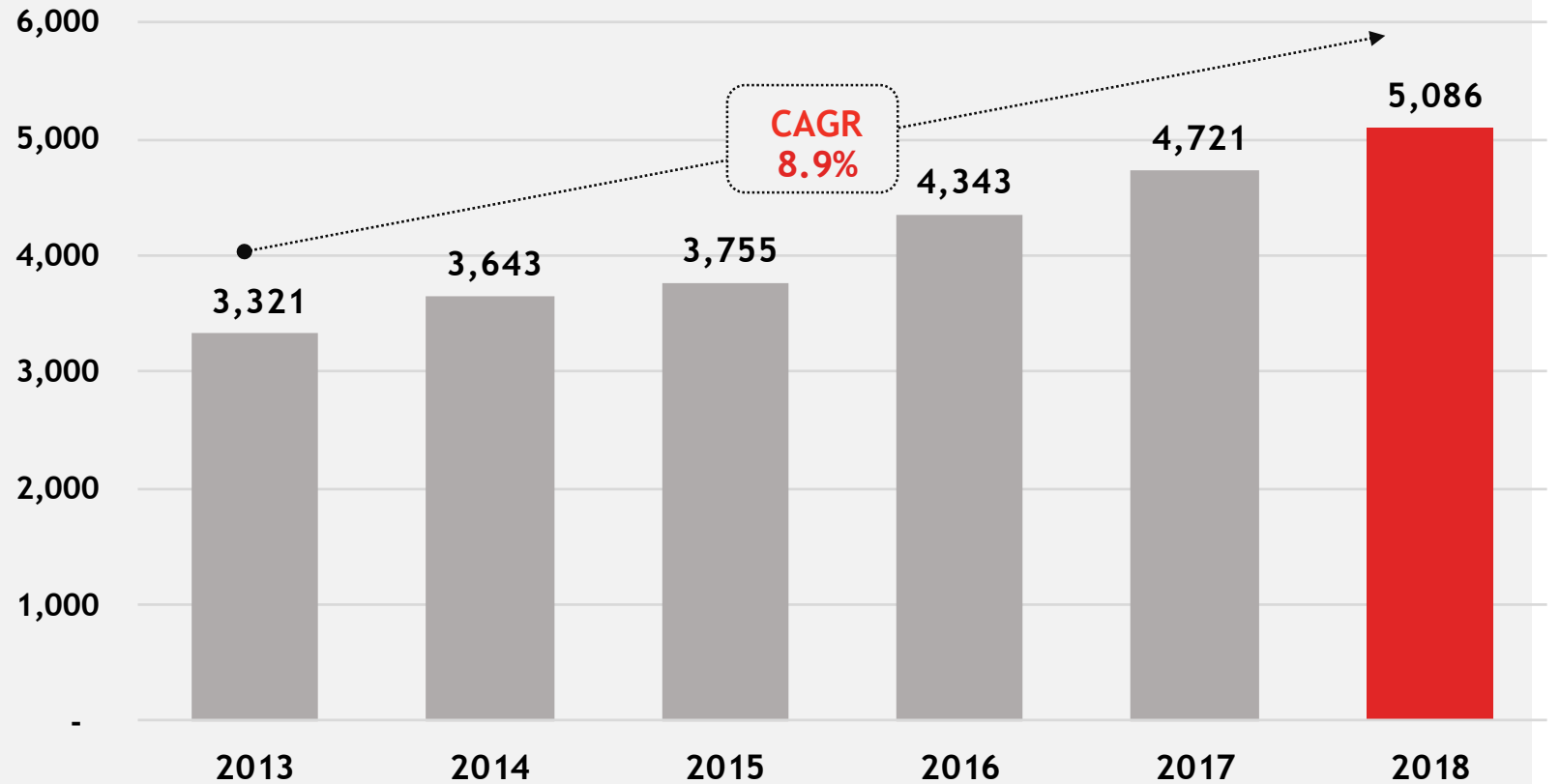
EBITDA 13.1%



## Aramex Continues to Deliver Solid Top Line Performance

### Revenues (AEDm)

- Revenue growth of 8% in 2018
- Revenue growth reflects additional income generated primarily in international cross border express business as well as in Asia Pacific

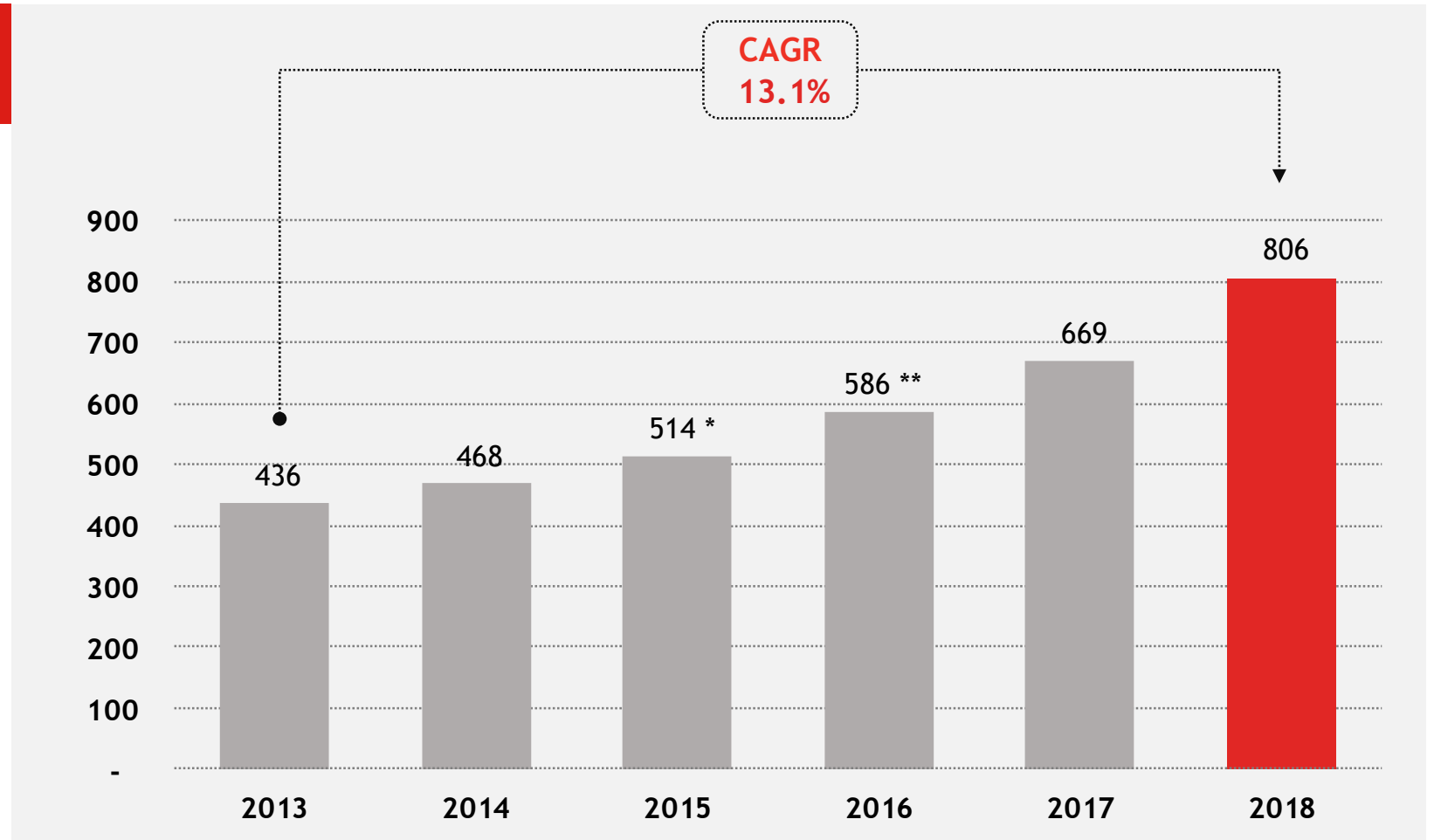




EBITDA Before Special Items (AED m)

EBITDA before special items:

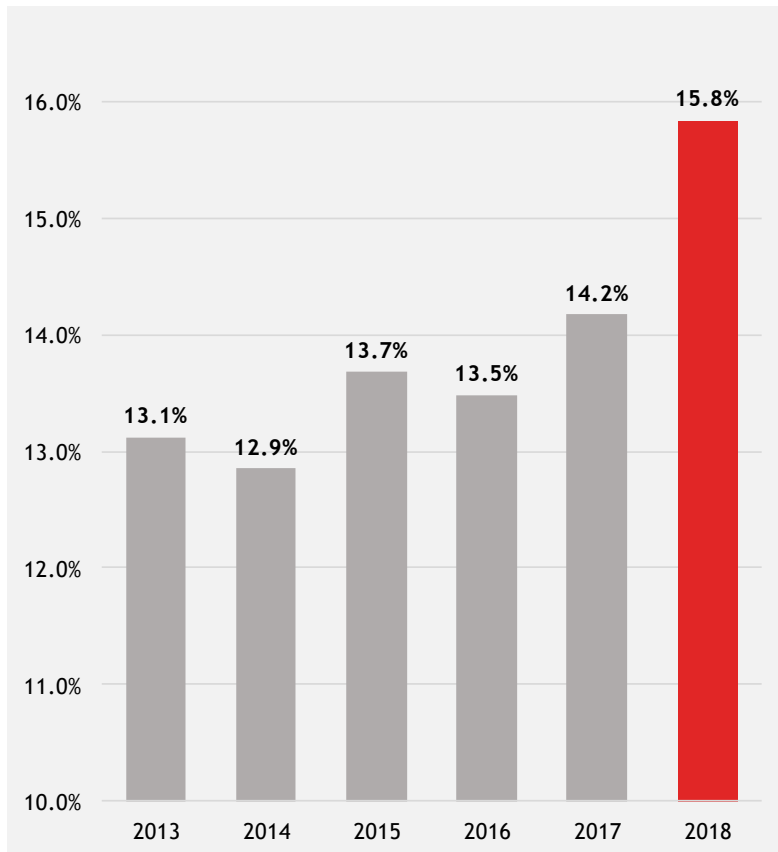
Aramex generated strong underlying results across the business



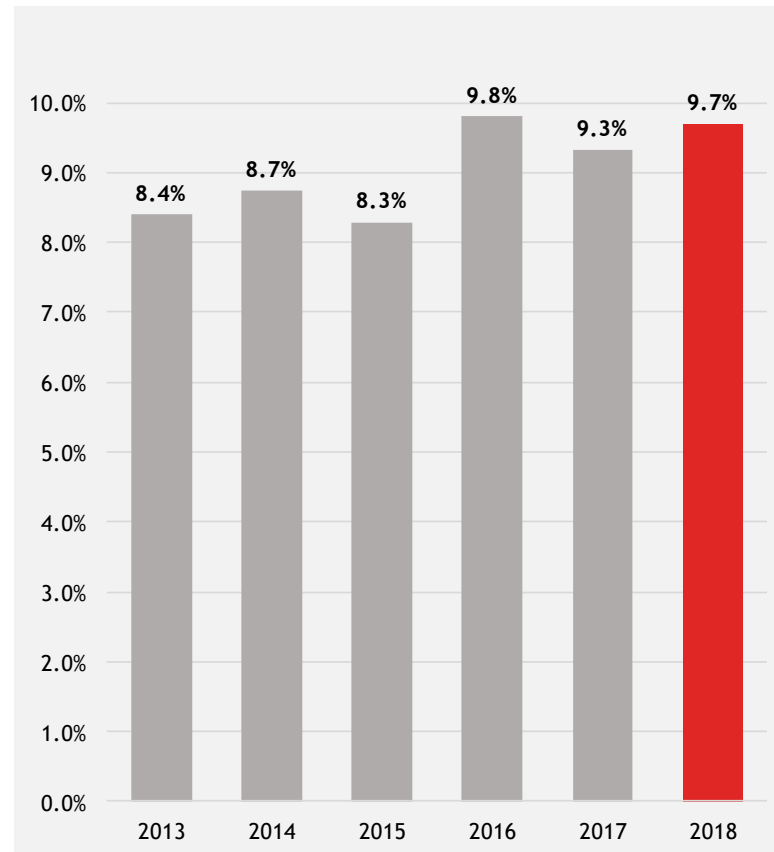
\* 2015 - additional provision of AED 46,271 thousand related to company's incentive scheme.  
 \*\* Special items comprise: 2Q 2016 - gain on bargain purchase of AMC of AED 41,568 thousand.

# Aramex Generates Consistent Performance Across Key KPIs

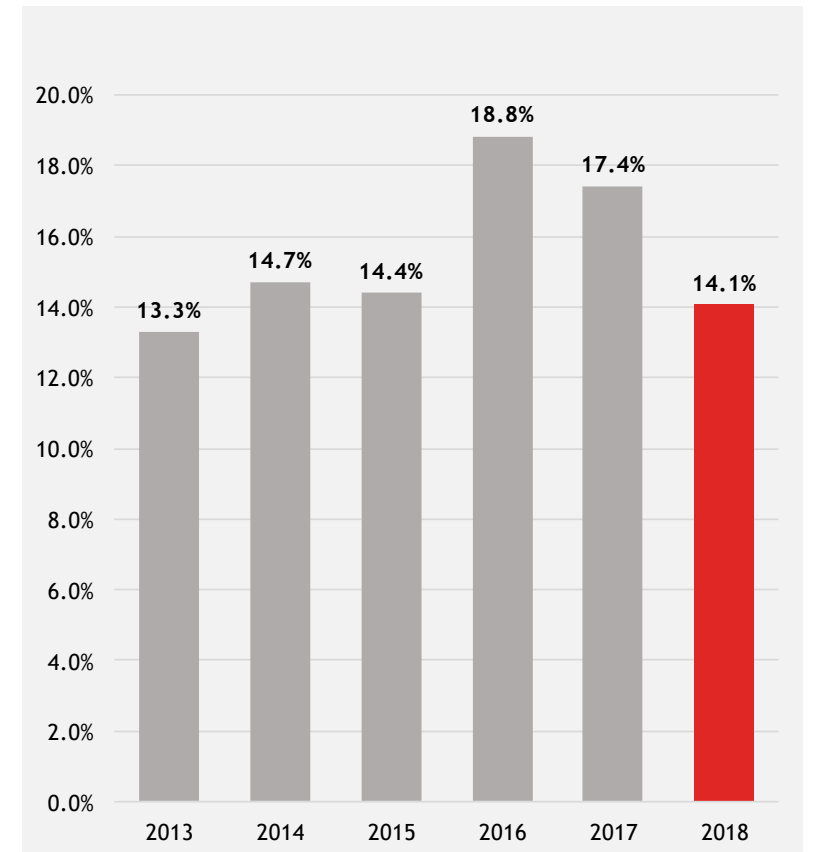
## EBITDA Margin (%)



## Net Profit Margin (%)



## Return on Equity (%)

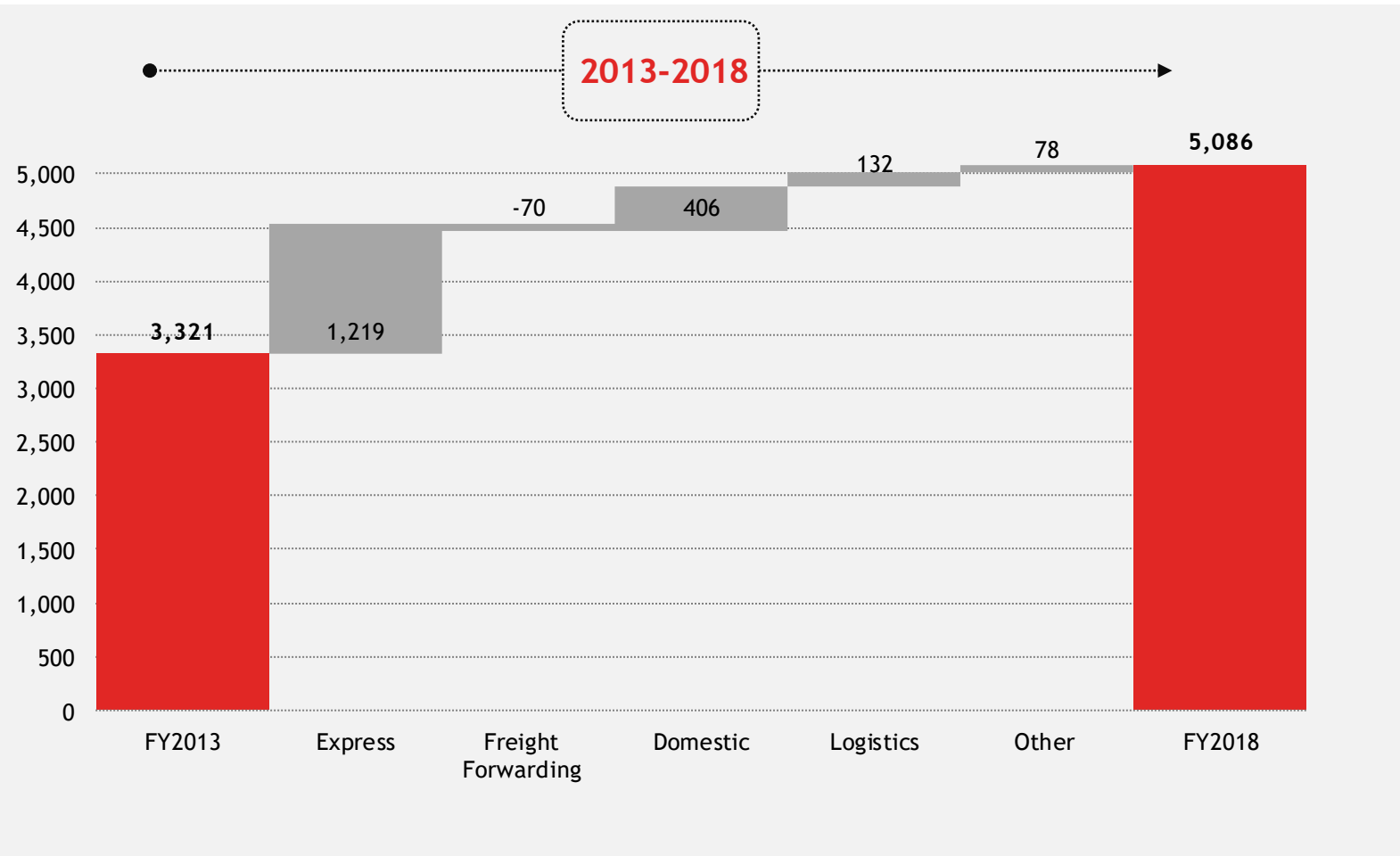


# Key Components of Aramex's Long Term Growth Story

## Contribution by Business (AED m)

### Growth story since 2013

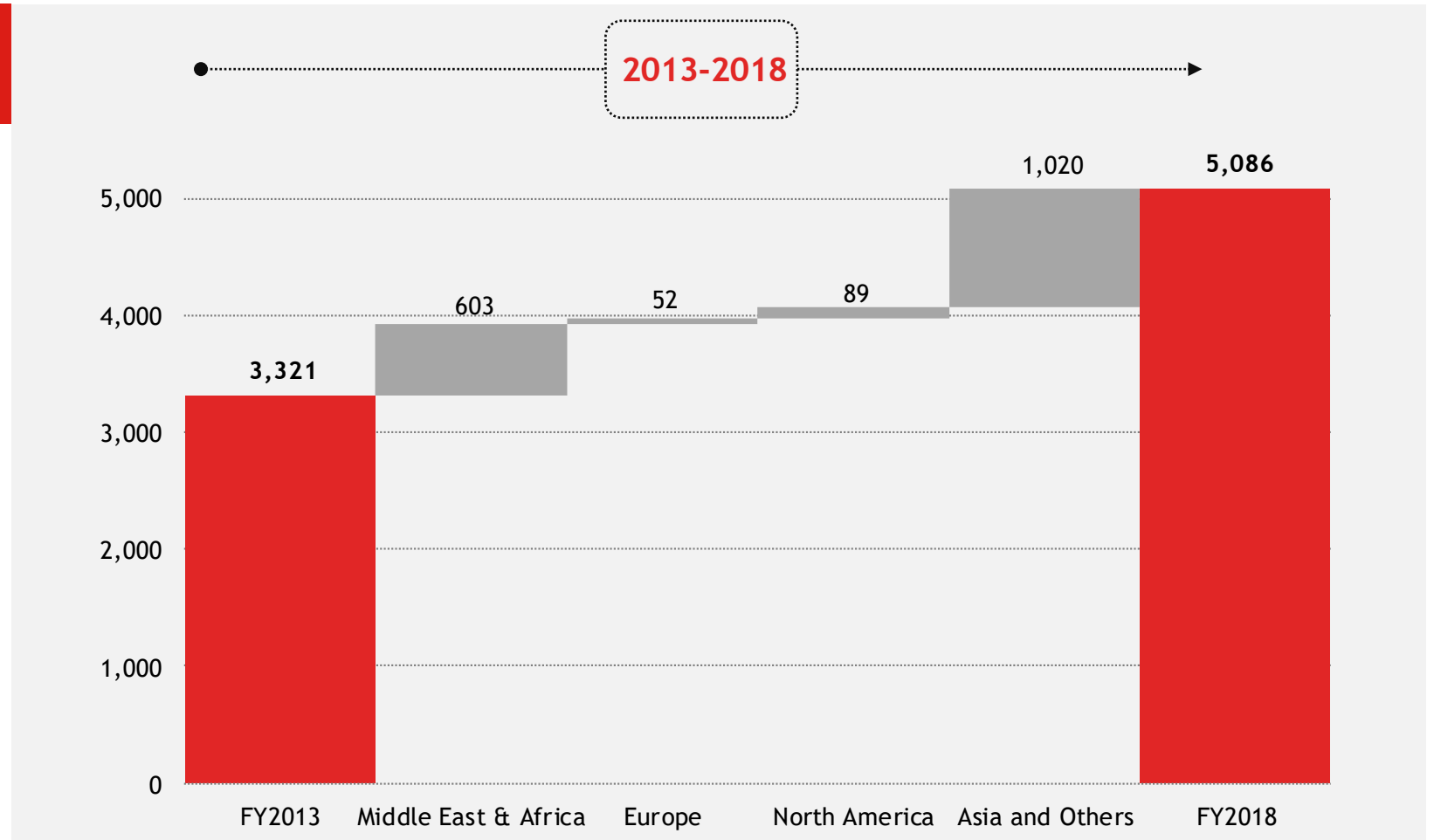
CAGR Express	<b>16.6%</b>
CAGR Freight Forwarding	<b>-1.2%</b>
CAGR Domestic	<b>10.3%</b>
CAGR Logistics	<b>12.2%</b>
CAGR Other	<b>6.3%</b>



Contribution by Geography (AED m)

Growth story since 2013

CAGR Middle East	<b>4.5%</b>
CAGR Europe	<b>1.9%</b>
CAGR North America	<b>22.4%</b>
CAGR Asia & Other	<b>37.0%</b>



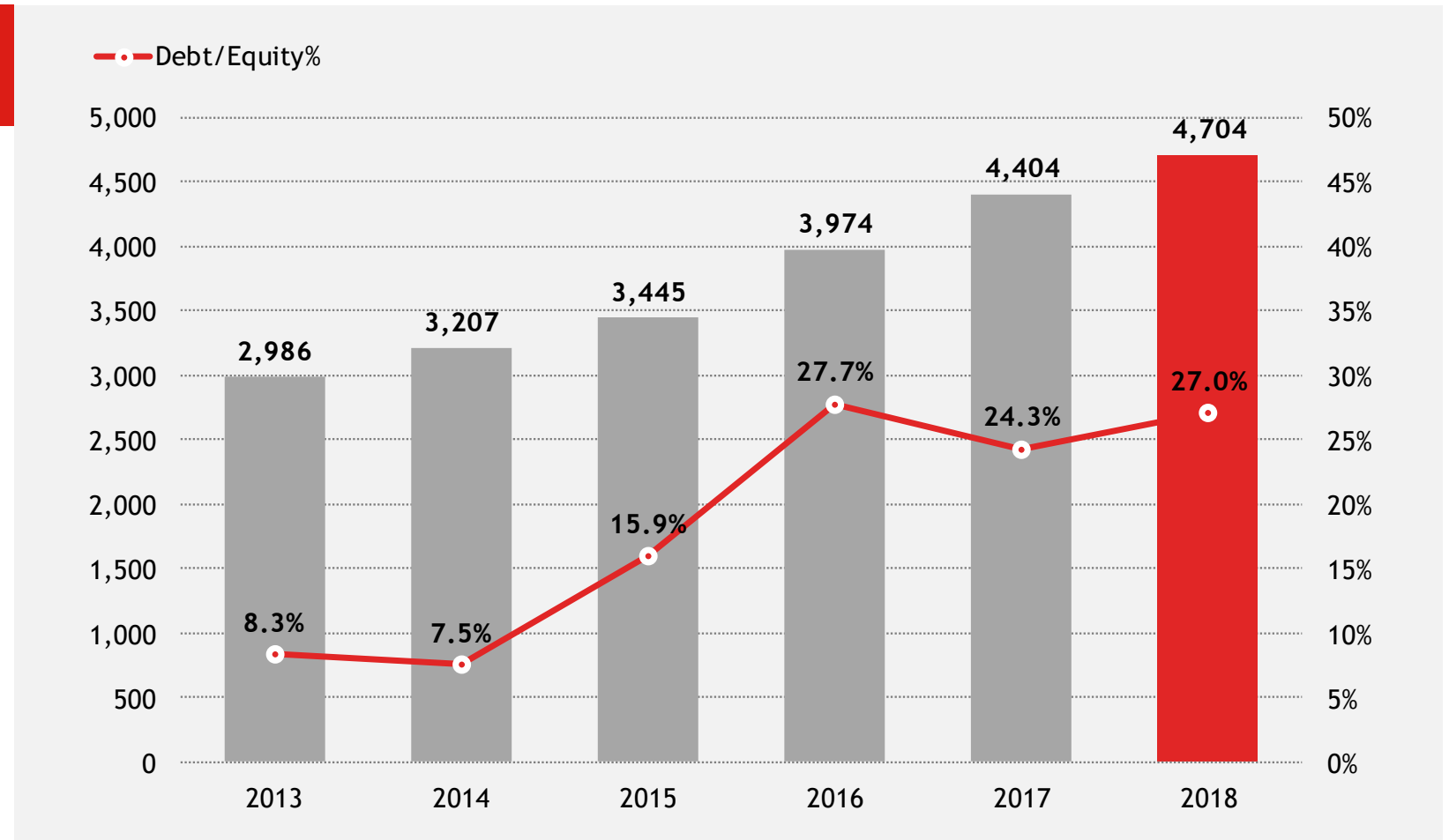
Total Assets (AED m)

Aramex has consistently grown its balance sheet.

Driven mainly by acquisitions, Aramex will continue to increase leverage.

Management continues to maintain a prudent approach towards managing debt.

Debt\*/ Equity at 27.0% as of 31 Dec 2018



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



## Dividends

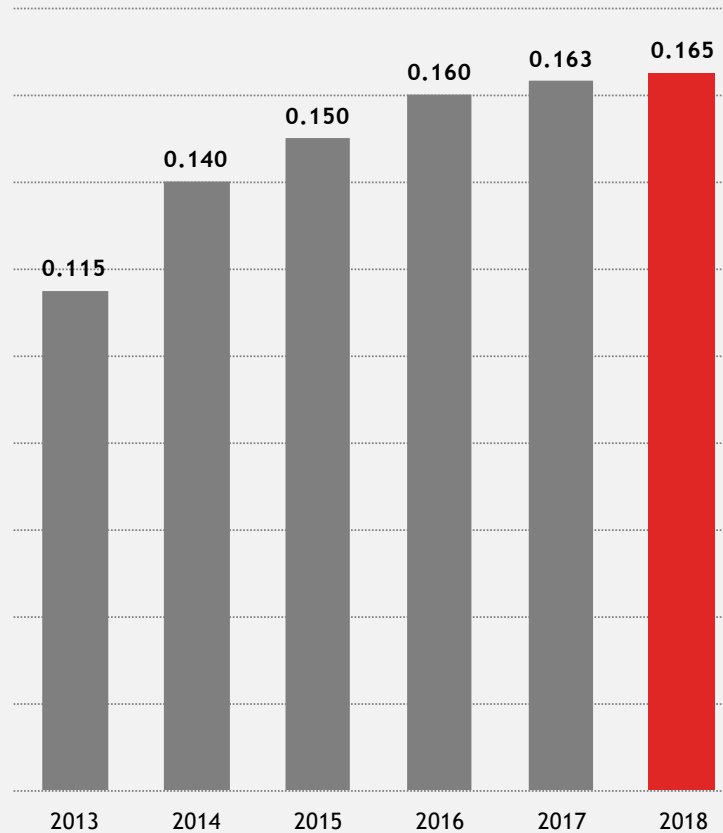
Dividend proposal of AED 0.165 per to be approved by shareholders at AGM on 10 April 2019

Gross dividend yield: 3.79%

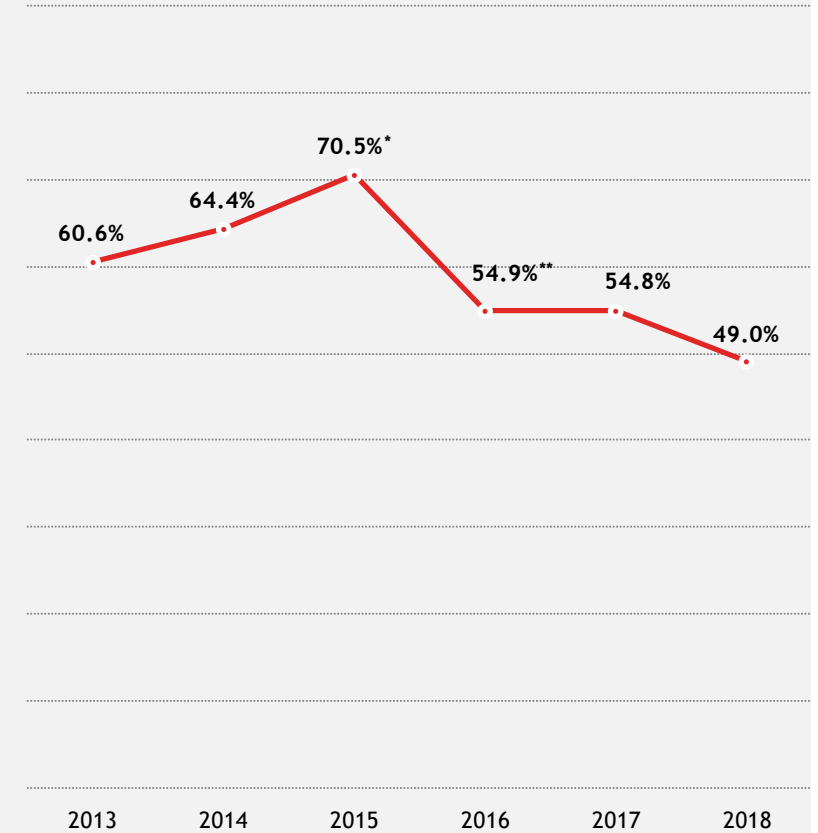
Long-term management target:

Dividend payout ratio of > 50%

Dividend Payout (AED/Share)



Dividend Payout Ratio (%)



\*Excluding additional provision of AED 46,271 thousand related to company's incentive scheme, Dividend Payout Ratio - 61.4%

\*\* Excluding gain on bargain purchase of AMC of AED 41,568 thousand, Dividend Payout Ratio - 60.8%.

# Aramex Shareholders are Rewarded by Long Term Performance

## Performance ( Jan 2013 - Dec 2018)

Share price change: **138.33%**

Annualized return: **13.18%**

Total return  
(dividends reinvested): **195.75%**

Annualized total return:  
(dividends reinvested) **16.72%**

Total Return

53.90%

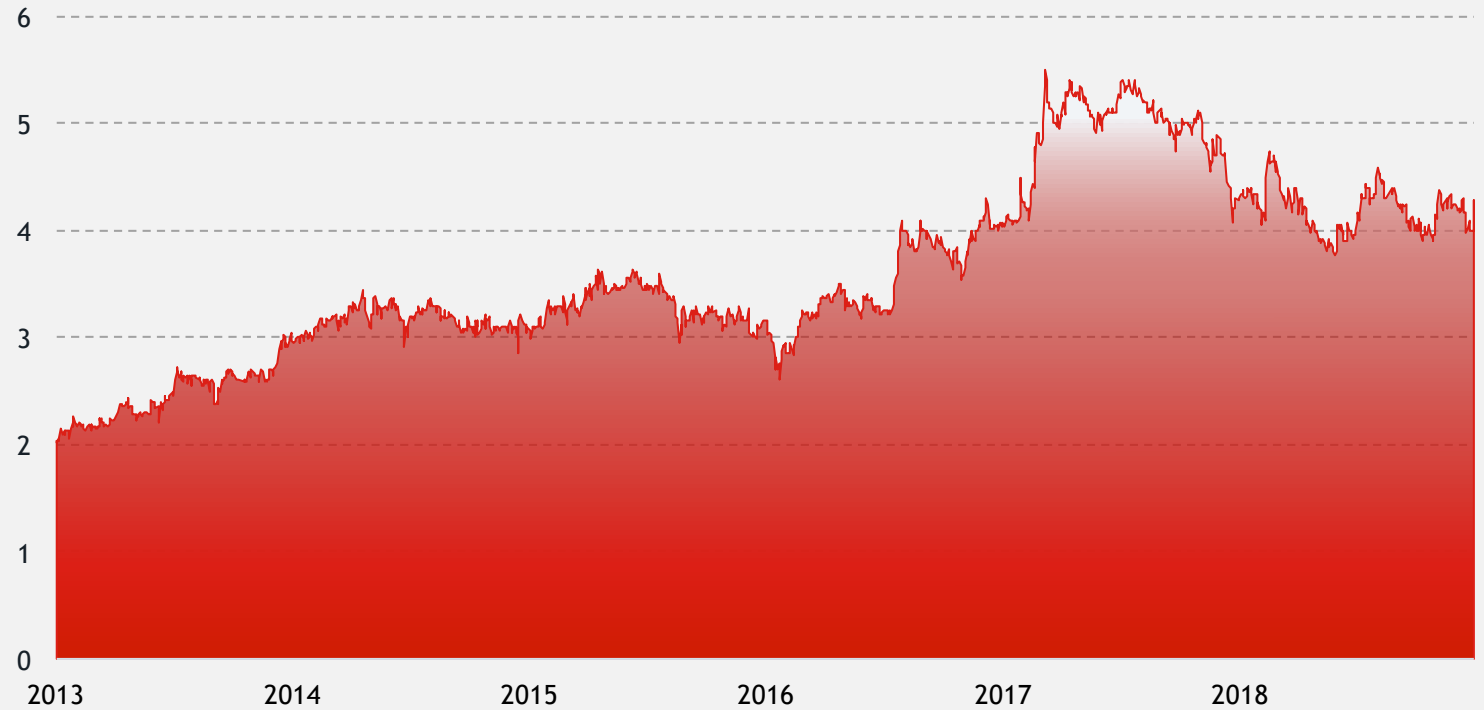
8.60%

6.50%

33.50%

8.90%

3.77%



# Management Outlook



Grow the Business

Focus on innovation and technology

Grow eCommerce Portfolio

Organic growth plus acquisitions

Attractive growth markets

Consistent Profitability

Focus on operational excellence

Variabilization of cost structure

Actively manage FX volatility

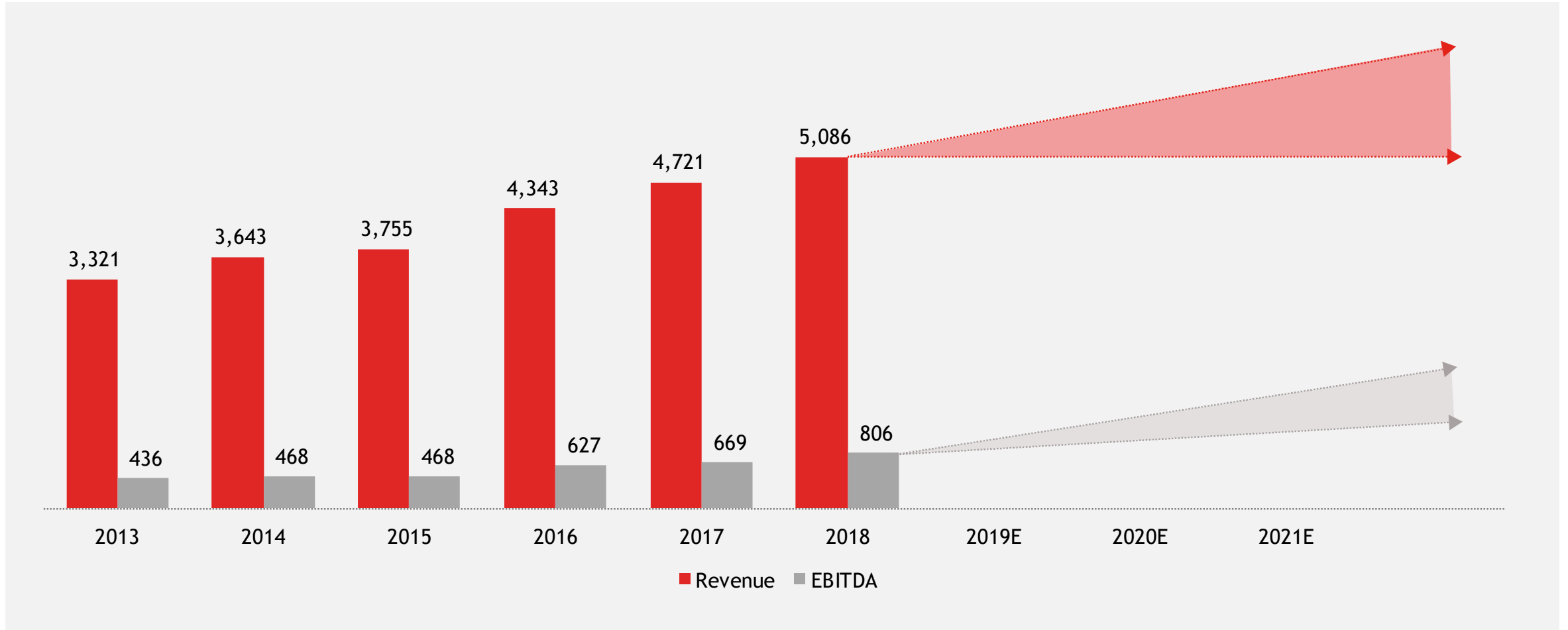
Shareholder Participation

Continue with our progressive dividend policy

Target payout ratio: > 50%

	2017 Actual		2018 Actual		2019 Targets
Express	↑ 19%	AED 2,006 m	↑ 13%	AED 2,273 m	Double-digit growth
Freight Forwarding	↑ 2%	AED 1,157 m	↑ 1%	AED 1,164 m	Single-digit growth
Domestic	↑ 4%	AED 1,022 m	↑ 3%	AED 1,051 m	Single-digit growth
Logistics	↓ 2%	AED 260 m	↑ 16%	AED 302 m	Single-digit growth
Other	↓ 2%	AED 275 m	↑ 8%	AED 296 m	Single-digit growth
Total	↑ 9%	AED 4,721 m	↑ 8%	AED 5,086 m	Double-digit growth

# Long Term Ambition Level - Projected Roadmap to 2021





**Bashar Obeid**  
CEO



**Nadia Abu Sarah**  
CFO



**Iyad Kamal**  
COO



**Mohammad Al Qassem**  
Investor Relations

**Investor Relations:**  
InvestorRelations@aramex.com  
Tel +971 4 211 8464  
P.O. Box  
Dubai - UAE  
[www.aramex.com/investors](http://www.aramex.com/investors)