

Investor Presentation 2Q 2016 Results

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Aramex is a global provider of logistics and transportation solutions

Agenda

Key Messages

Management Focus

Financial Performance

Value Creation

Core Beliefs



Aramex is transforming into a technology-driven enterprise

Leader in Logistics



Aramex is a market leader with a strong management track record of success

Asset-light



We remain focused on delivering an asset-light business model

Efficiency



We are transitioning towards a leaner, more agile business model

Acquisitions



We are investing in plug and play acquisitions to grow our footprint

Growth



We expect to grow in all relevant financial KPIs (Revenues, EBITDA, Margins, ROE)

Shareholder participation



Our shareholders will participate with growth of dividends following FCF growth

Aramex is focused on three key priorities

Expand Footprint

Develop and defend our stronghold in GCC & Levant

Expand Aramex presence in key growth markets such as Asia Pacific and Africa

Globalize the Aramex brand through franchising in emerging markets

Leverage Infrastructure

Leverage the existing infrastructure to create new business opportunities

Integrate supply chain management solutions and value added services

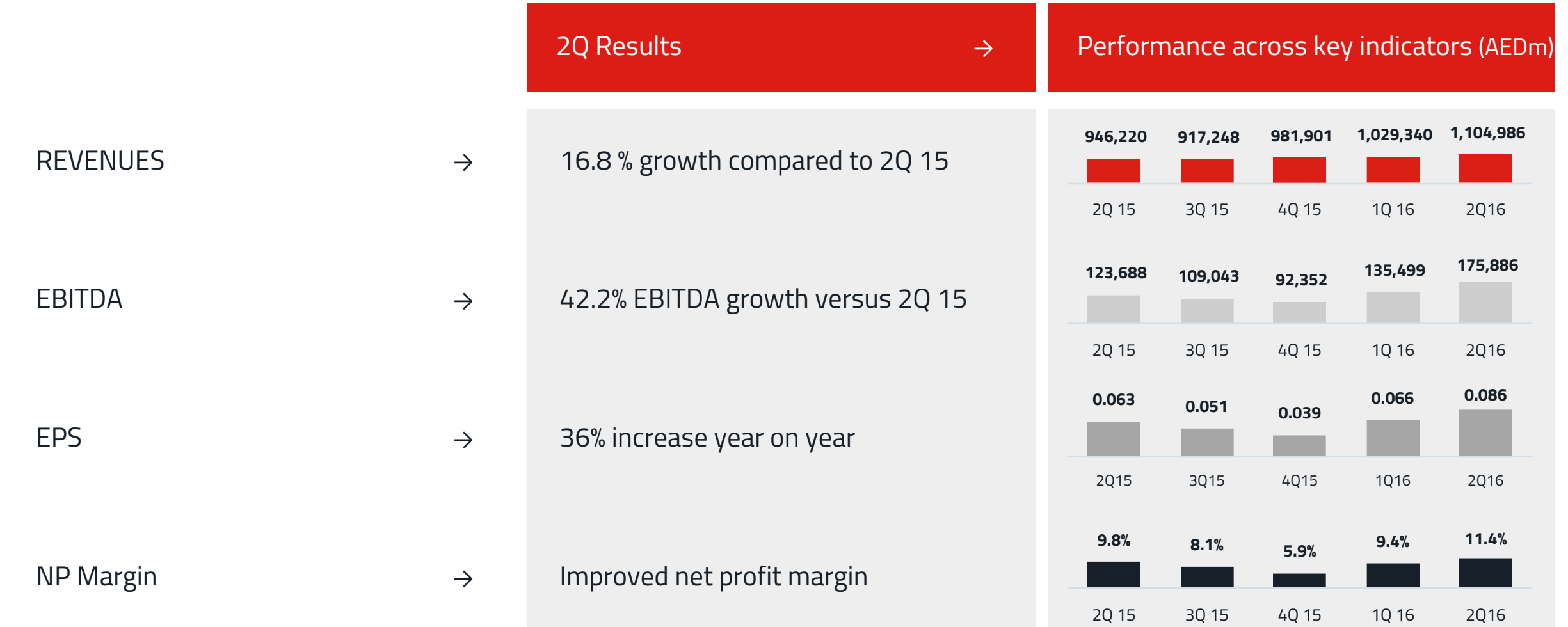
Grow e-Commerce business

Organic Growth

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

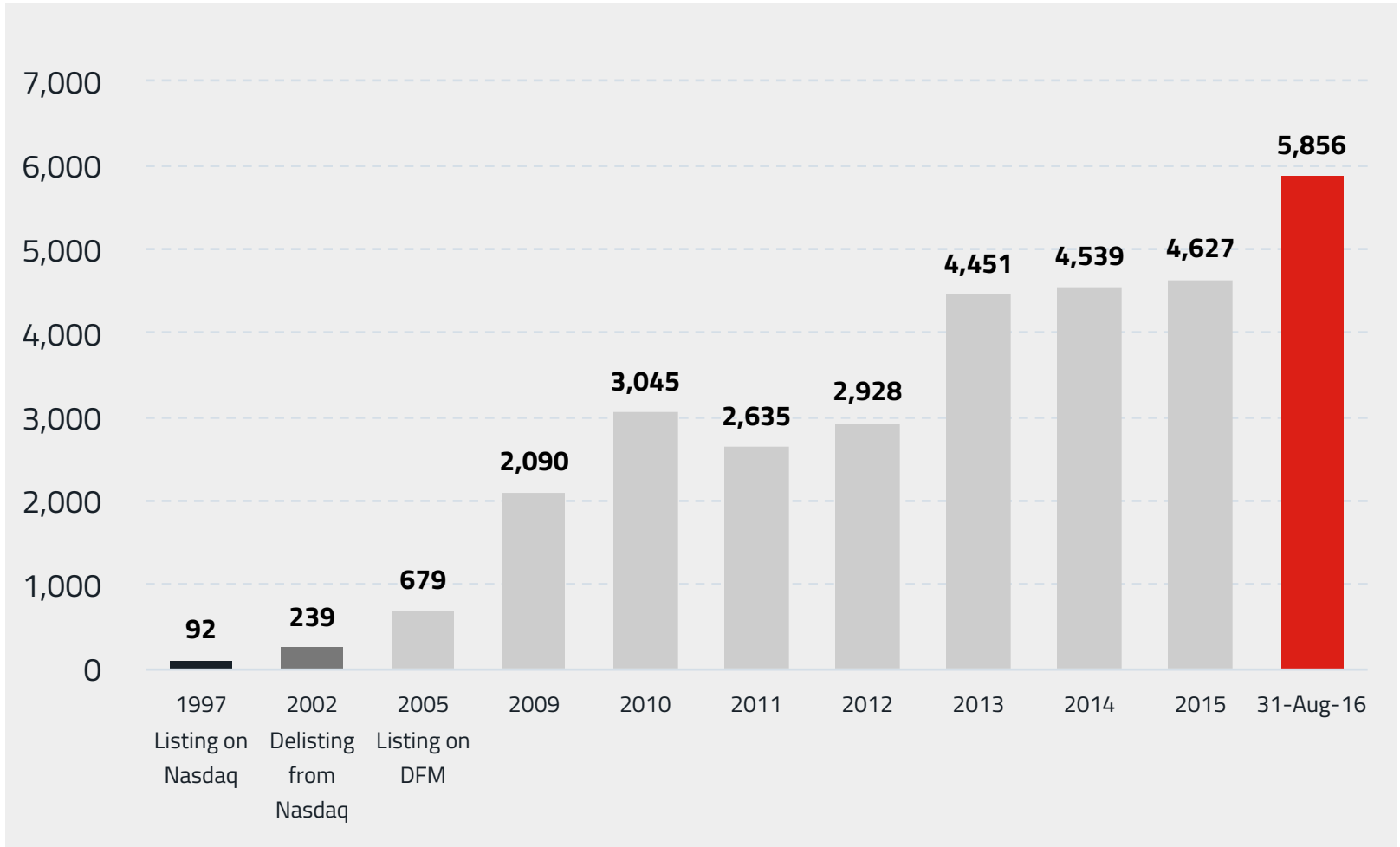
Short term investment in people and systems to take advantage of long-term growth opportunities

Aramex continues to deliver solid performance



Aramex shareholders consistently participate in growth

Market Capitalization (AED m) →



AGM approved significant dividend payout for 2015

Dividends →

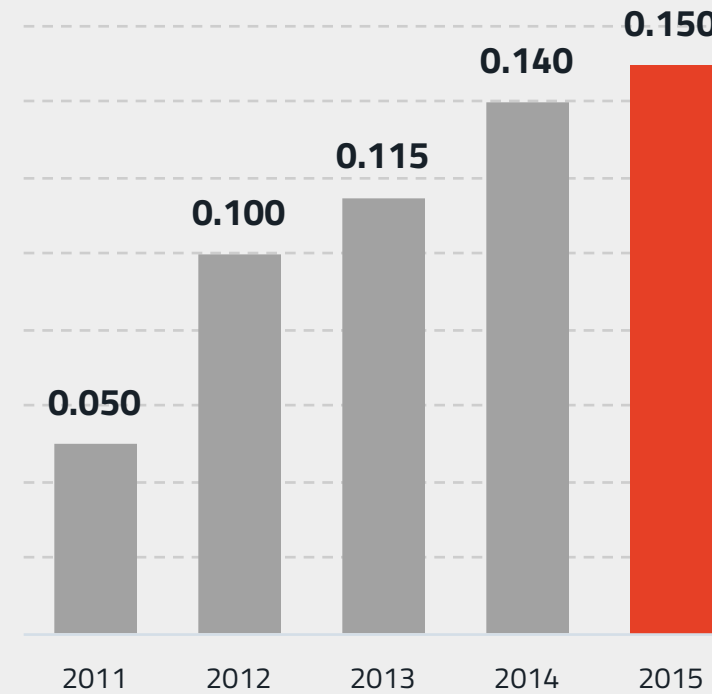
Dividend proposal of AED 0.150 per share approved in April 2016

Gross dividend yield: ~4%

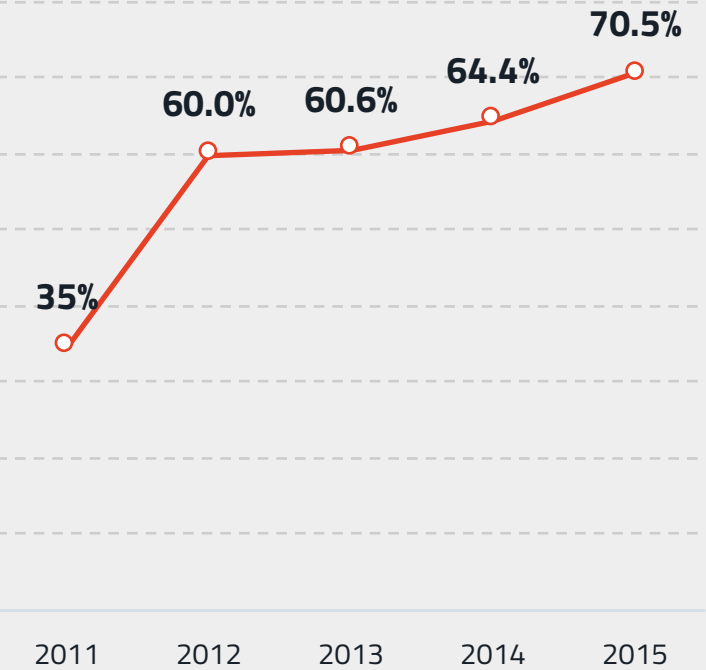
Management target remains unchanged:

Dividend payout ratio of > 60%

Dividend Payout (AED / share)



Dividend Payout Ratio (%)



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

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2Q 2016 Group Highlights

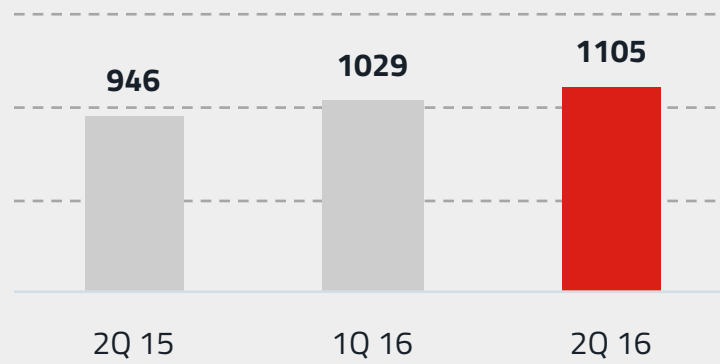
Management Comments →

16.8% year-on-year revenue growth mainly driven by double-digit growth across core business, offset by decline in Freight Forwarding

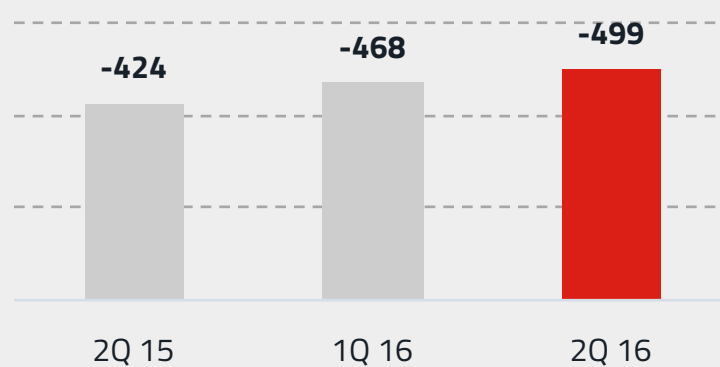
Total Overheads increased year-on-year in line with overall growth of the business

35.5% growth y-o-y in Attributable Income; sequentially up 29.9% on 1Q 16

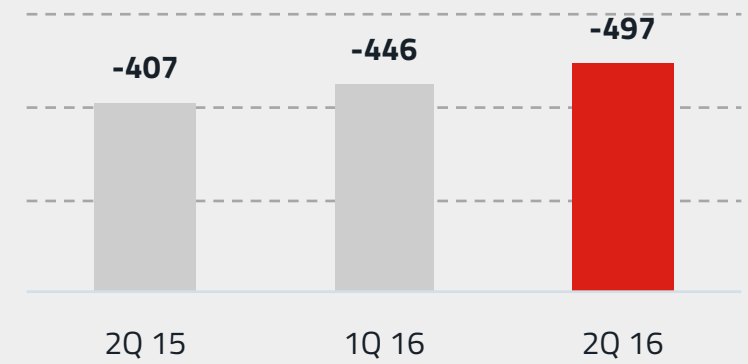
Revenues (AED m)



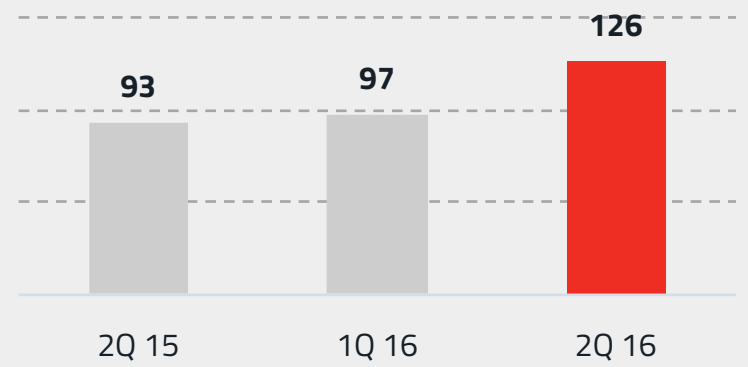
Total Overheads (AED m)



CoR (AED m)



Attributable Income (AED m)



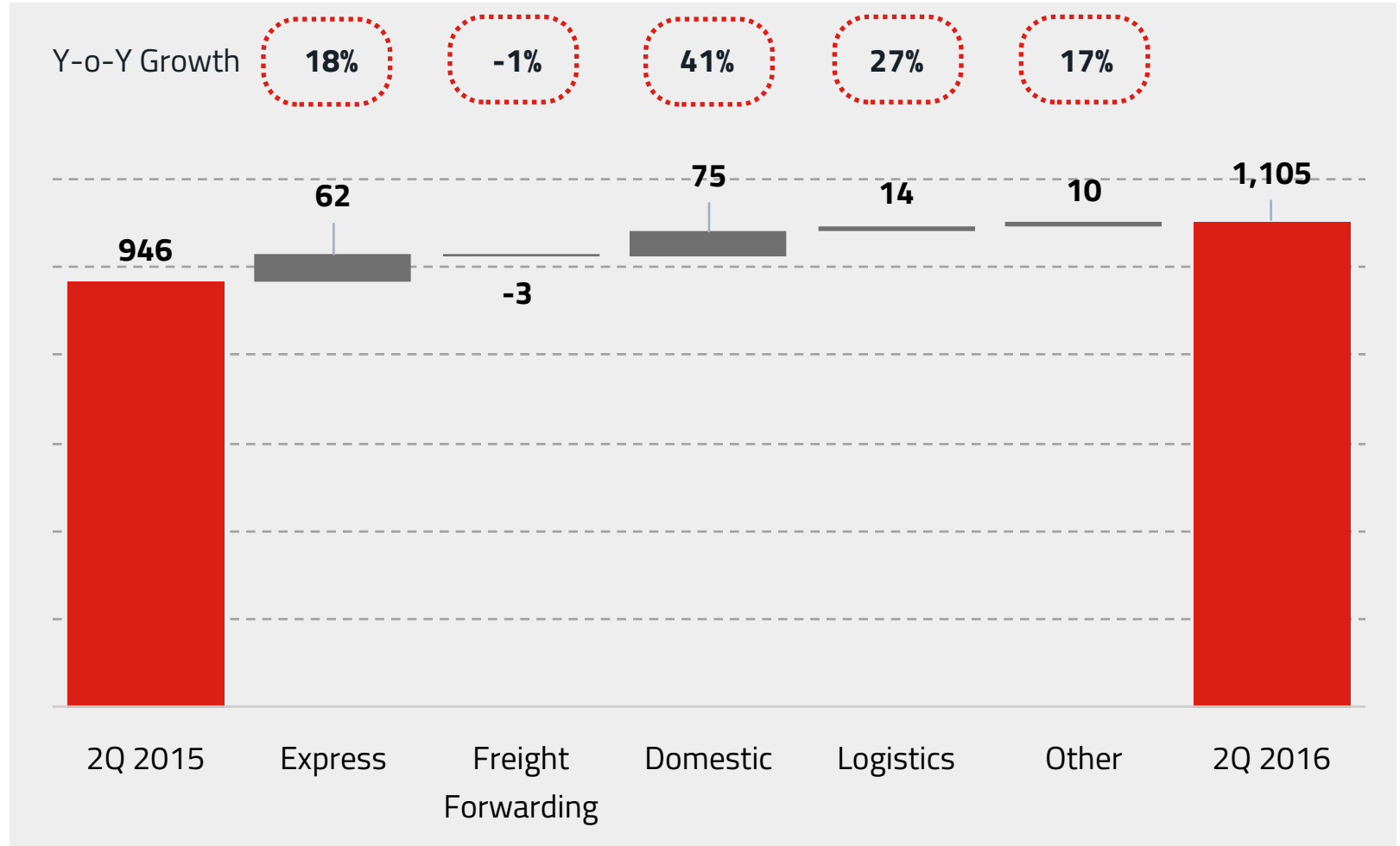
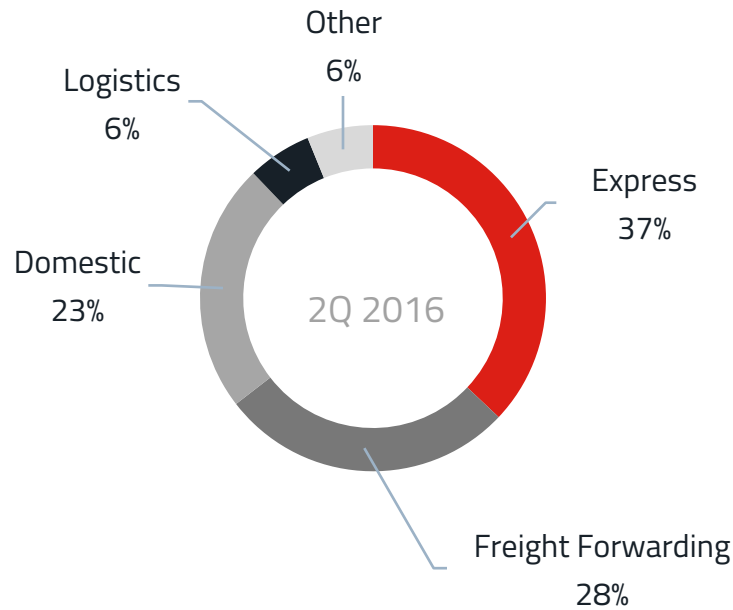
2Q 2016 Financial Highlights

Income Statement (AEDm) →

	Quarter			Movement (%)	
	2Q 16	1Q 16	2Q 15	q-o-q	y-o-y
Revenue	1,105.0	1,029.3	946.2	7.4%	16.8%
Cost of Revenues	(497.1)	(446.8)	(407.8)	11.3%	21.9%
Gross profit	607.8	582.5	538.4	4.3%	12.9%
Overheads	(499.7)	(468.3)	(424.7)	6.7%	17.7%
Income before tax	145.0	114.0	112.8	27.2%	28.5%
Profit after tax from cont. operations	131.1	102.5	101.3	27.9%	29.4%
Profit for the period	133.0	103.8	103.0	28.1%	29.1%
Attributable income	125.7	96.9	92.5	29.7%	35.9%
EBIT (Operating income)	149.3	116.9	113.9	27.7%	31.1%
EBITDA	175.9	135.5	123.7	29.8%	42.2%

Q2 2016 growth in core segments in line with management agenda

Revenues by segment (AED m) →



Express business is outgrowing freight forwarding

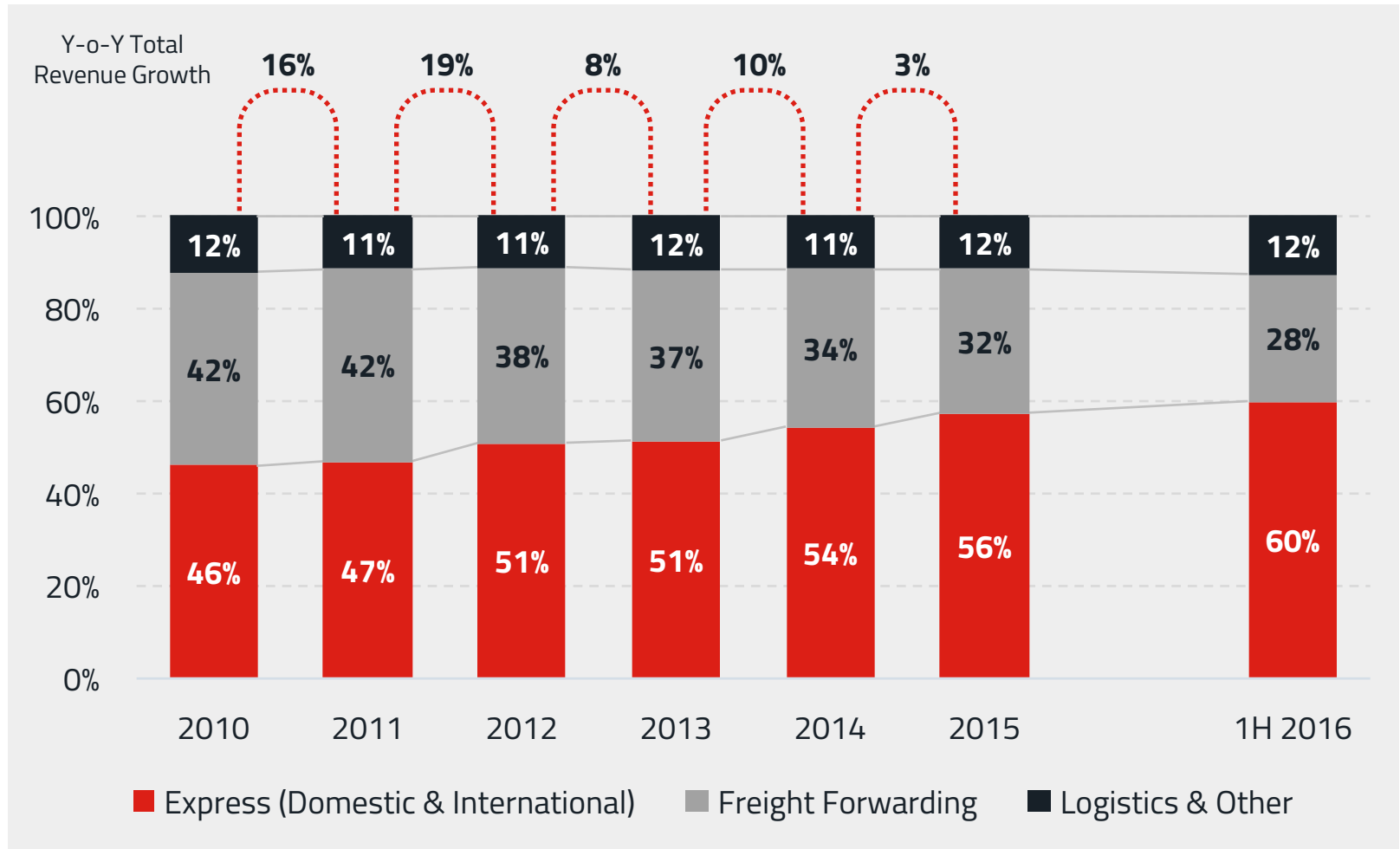
Segmental Revenues (%) →

Evolution of revenue mix since 2010 points to Express business outgrowing other businesses; this is a direct result of the growing eCommerce business

Express revenue (domestic & international) has grown from 46% to 60% as at 1H 16

Freight forwarding has consistently declined from 42% revenue contribution to 27%

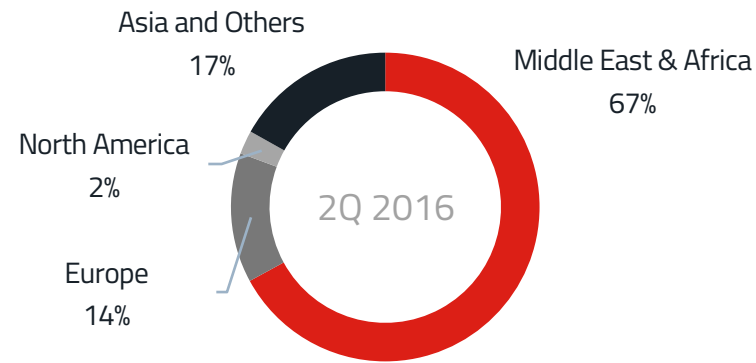
Management expects this trend to continue throughout 2016 and beyond



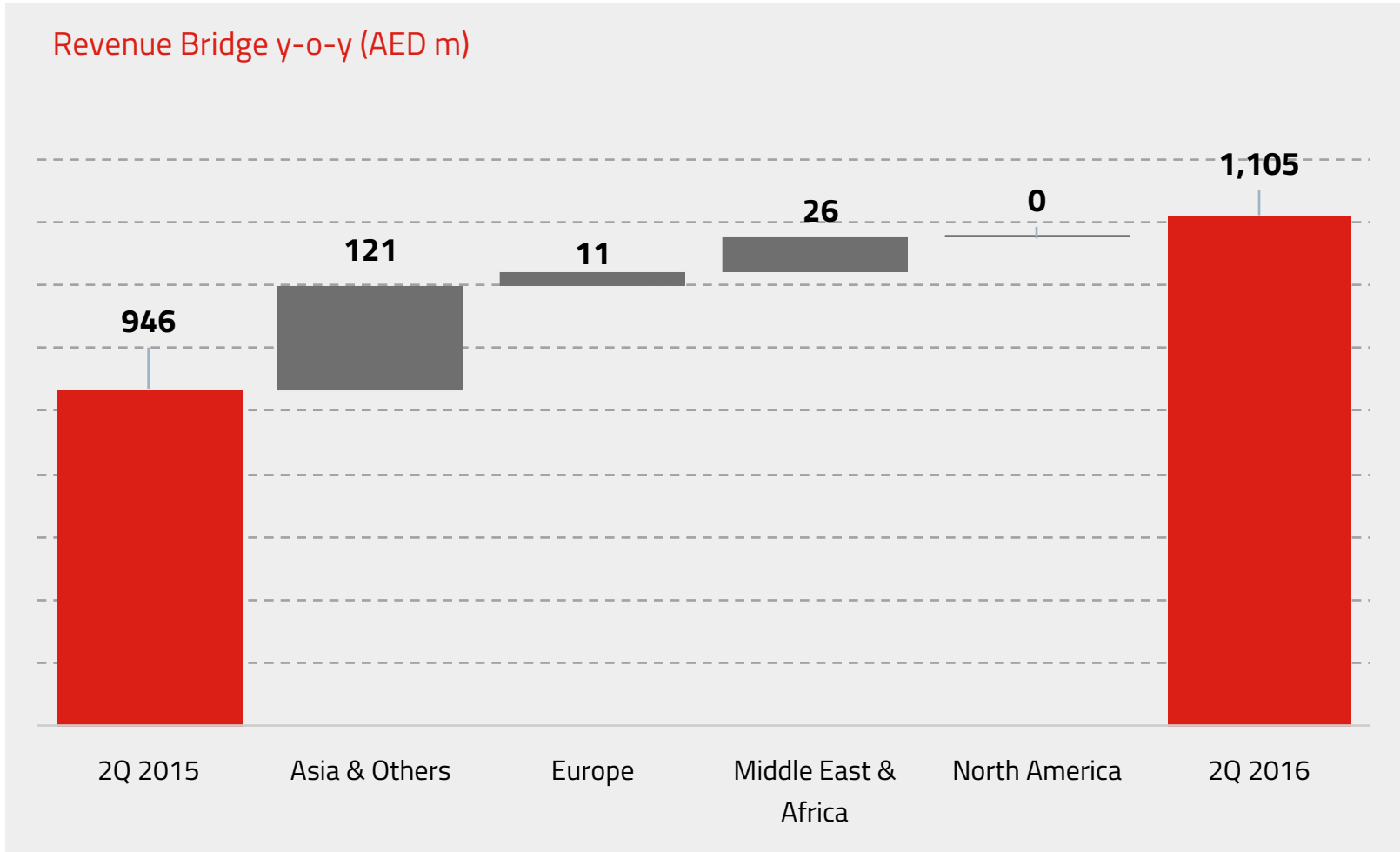
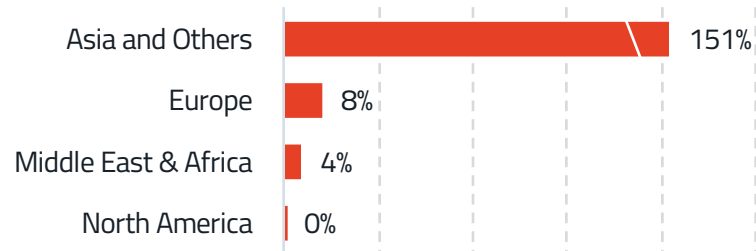
Geographic performance – strongest growth continues in Asia

Revenues by Geography →

Geographic Contribution (%)



Geographic Performance y-o-y (%)



2Q 2016 Financial Highlights

Financial Ratios (AEDm) →

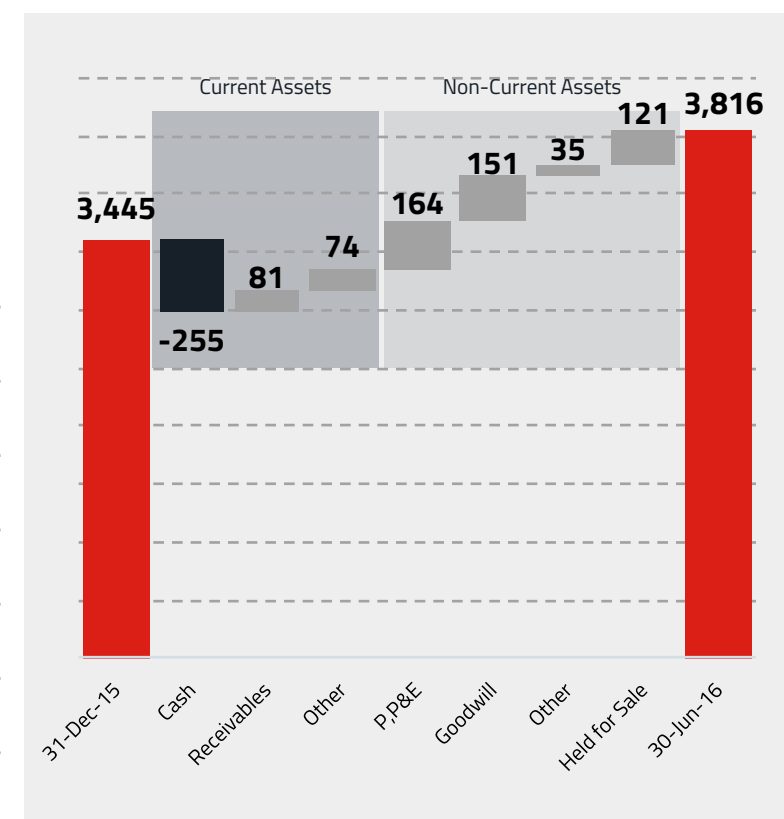
	Quarter			Movement (%)	
	2Q 16	1Q 16	2Q 15	q-o-q	y-o-y
EPS (AED)	0.086	0.066	0.063	30%	36%
Gross profit margin (%)	55.0%	56.6%	56.9%	-3%	-3%
Net profit margin (%)	11.4%	9.4%	9.8%	21%	16%
EBITDA margin %	15.9%	13.2%	13.1%	20%	21%
ROE %	23.6%	17.4%	17.5%	36%	35%
ROA %	13.2%	9.9%	11.9%	32%	10%
Debt/Equity %	31.6%	30.9%	7.1%	2%	343%

Aramex balance sheet remains strong and liquid

Balance Sheet Highlights →

Asset Movement Y-o-Y (AED m) →

	30 Jun 2016	31 Dec 2015	Actual	Movement Change %
Current assets	1,502	1,602	(100)	-6%
Non-current assets	2,315	1,844	471	26%
Total assets	3,816	3,445	371	11%
Current liabilities	1,021	822	199	24%
Non-current liabilities	639	424	216	51%
Total liabilities	1,661	1,246	415	33%
Non-controlling interest	24	38	(14)	-36%
Shareholders' equity	2,131	2,161	(30)	-14%





Management Outlook

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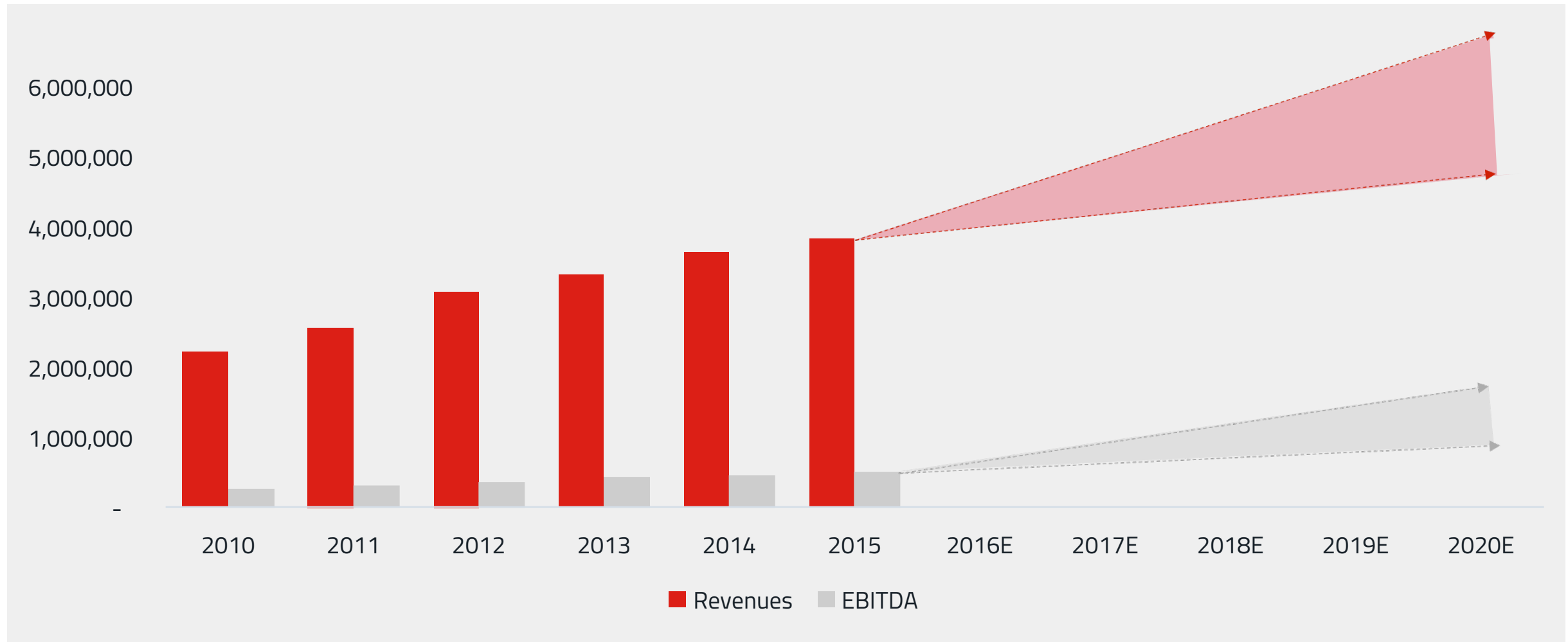
The Way Forward: Management Priorities

Grow the business	Consistent profitability	Shareholder participation
Focus on technology →	Focus on operational excellence →	Continue with our progressive dividend policy →
Grow e Commerce Portfolio →	Variabilization of cost structure →	Target Payout Ratio: > 60% →
Organic growth plus acquisitions →	Actively manage FX volatility →	
Attractive growth markets →		

Management Ambition: Guidance

	2015 Actual		2016 Target (AED m)
Express	↑ 13%	AED 1,387 m	Double-digit growth
Freight Forwarding	↓ 3.3%	AED 1,203 m	Slight decrease
Domestic	↓ 3.4%	AED 729 m	Double-digit growth
Logistics	↗ 3.9%	AED 206 m	Slight increase
Other	↗ 4.9%	AED 229 m	Slight increase
Total	↗ 3.1%	AED 3,755 m	Considerable increase

Long Term Ambition Level – Projected Roadmap to 2020



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