Investors Presentation FY & Q4 Results

Management Update | Q4 2020 Results | Long Term Performance | Management Outlook
Disclaimer

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Aramex is a Global Provider of Logistics and Transportation Solutions

<table>
<thead>
<tr>
<th>Employees</th>
<th>Offices</th>
<th>Countries</th>
<th>Revenues</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,623</td>
<td>600+</td>
<td>65+</td>
<td>AED 5.5</td>
<td>AED 6.4</td>
</tr>
</tbody>
</table>

**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 2020

**AED 4.38**

Total Return Metrics

**28.86%**

YTD 2020 share price increase and total shareholder return (dividend reinvested)

**22.69%**

2020 share price increase

**29.00%**

2020 total shareholder return (dividend reinvested)
### Focus Area

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Management Remains Focused on Long-Term Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>eCommerce</td>
<td>Continues to be the main growth driver of Aramex express and logistics businesses</td>
</tr>
<tr>
<td>Asset-light model</td>
<td>Proves our business model can be successful through market cycles</td>
</tr>
<tr>
<td>Innovation and technology</td>
<td>Enhances our customer experience and enables us to expand our business operations</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>Implementation of ERP platform fosters enterprise-wide collaboration</td>
</tr>
</tbody>
</table>
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
Management Remains Focused on Three Key Priorities

**Expand Footprint**
- Develop & define our stronghold in GCC & Levant
- Expand Aramex presence in Asia Pacific and Africa
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**Leverage Infrastructure**
- Grow eCommerce business
- Integrate supply chain management solutions and value added services
- Leverage the existing infrastructure to create new business opportunities
Management Remains Focused on Three Key Priorities

Expand Footprint
- Develop & define our stronghold in GCC & Levant
- Expand Aramex presence in Asia Pacific and Africa
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Leverage Infrastructure
- Grow eCommerce business
- Integrate supply chain management solutions and value added services
- Leverage the existing infrastructure to create new business opportunities

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
Q4 2020 Results

Financial Performance

Revenues

13% growth compared to Q4 2019

EBITDA

-35% year on year headline EBITDA growth

Net Profit Margin

-708 bp margin year on year

EPS

-62% earnings per share decreased

EBITDA Normalized

-15% year on year headline EBITDA growth

Net Profit Margin Normalized

-350 bp margin year on year

Q3 2020 is normalized by excluding nonrecurring provision of the damages caused by two major incidents, Lebanon's explosion and warehouse fire in Morocco. Q4 2020 is normalized by excluding provision for lawsuit from a customer resulting from the fire incident in Morocco and Expected Credit loss on cash at banks in Lebanon.
### Financial & Performance Highlights

#### Management Comments

Aramex’s highest fourth quarter Revenue on record, due to a busy shopping season and with more and more consumers turning to e-commerce to buy goods and gifts due to travel and other COVID-19 related restrictions.

Cost base increased as line haul costs rose due to the scarcity of commercial flights, and the cost to scale last mile operations to accommodate the surge in Express volumes from e-commerce also increased.

There was an increase in other costs related to COVID-19, including Personal Protective Equipment (PPE) for Company employees and sanitization of facilities and fleet.

A surge in e-commerce activity led to a **37%** increase in e-commerce volumes in core markets.

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#### Q4 2020 Group Highlights

**Revenue (AED m)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,418</td>
<td>1,467</td>
<td>1,598</td>
</tr>
</tbody>
</table>

**Cost of Services (AED m)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-962</td>
<td>-1058</td>
<td>-1191</td>
</tr>
</tbody>
</table>

**Total Overheads (AED m)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-263</td>
<td>-273</td>
<td>-265</td>
</tr>
</tbody>
</table>

**Attributable Net Profit (AED m)**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2019</th>
<th>Q3 2020</th>
<th>Q4 2020 Normalized</th>
<th>Q4 2020 Normalized</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>152</td>
<td>46</td>
<td>99</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>117</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Q3 2020 is normalized by excluding nonrecurring provision of the damages caused by two major incidents, Lebanon’s explosion and warehouse fire in Morocco.

Q4 2020 is normalized by excluding provision for lawsuit from a customer resulting from the fire incident in Morocco and Expected Credit loss on cash at banks in Lebanon.
### Financial Performance & Highlights

#### Income Statement (AEDm)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2020</th>
<th>Q3 2020</th>
<th>Q4 2019</th>
<th>q-o-q</th>
<th>y-o-y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,598</td>
<td>1,467</td>
<td>1,418</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Cost of Services</td>
<td>(1,191)</td>
<td>(1,058)</td>
<td>(962)</td>
<td>-13%</td>
<td>-24%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>407</td>
<td>408</td>
<td>456</td>
<td>0%</td>
<td>-11%</td>
</tr>
<tr>
<td>Overheads</td>
<td>(265)</td>
<td>(273)</td>
<td>(263)</td>
<td>3%</td>
<td>-1%</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>59</td>
<td>46</td>
<td>152</td>
<td>27%</td>
<td>-62%</td>
</tr>
<tr>
<td>Profit for the period Normalized</td>
<td>117</td>
<td>99</td>
<td>152</td>
<td>18%</td>
<td>-23%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>180</td>
<td>169</td>
<td>278</td>
<td>7%</td>
<td>-35%</td>
</tr>
<tr>
<td>EBITDA Normalized</td>
<td>238</td>
<td>221</td>
<td>278</td>
<td>8%</td>
<td>-14%</td>
</tr>
</tbody>
</table>

Q3 2020 is normalized by excluding nonrecurring provision of the damages caused by two major incidents, Lebanon's explosion and warehouse fire in Morocco.

Q4 2020 is normalized by excluding provision for lawsuit from a customer resulting from the fire incident in Morocco and Expected Credit loss on cash at banks in Lebanon.
Financial Performance & Highlights

International Express and Domestic delivered 74% of revenues

Revenues by Segment (AED m)

- **Express**: 50%
- **Freight Forwarding**: 18%
- **Domestic**: 24%
- **Logistics**: 6%
- **Other**: 2%

Y-o-Y Growth:
- **Express**: 18%
- **Freight Forwarding**: -5%
- **Domestic**: 19%
- **Logistics**: 4%
- **Other**: 15%

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q4 2019</th>
<th>Q4 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Express</td>
<td>1,418</td>
<td>1,598</td>
</tr>
<tr>
<td>Freight Forwarding</td>
<td>123</td>
<td>-14</td>
</tr>
<tr>
<td>Domestic</td>
<td>-14</td>
<td>63</td>
</tr>
<tr>
<td>Logistics</td>
<td>63</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Q4 2019 vs Q4 2020:
- **Express**: +18%
- **Freight Forwarding**: -5%
- **Domestic**: +19%
- **Logistics**: +4%
- **Other**: +15%
Geographic Performance - Strongest Growth Recorded in Middle East & Africa

Revenues by Geography

- Middle East & Africa: 51%
- Europe: 13%
- North America: 5%
- Asia and Others: 31%

Q4 2020

Y-o-Y Growth:
- Middle East & Africa: -0.1%
- Europe: 35%
- North America: 21%
- Asia and Others: 30%

Q4 2020 vs Q4 2019
## Financial Highlights

### Financial Ratios (AEDm)

<table>
<thead>
<tr>
<th></th>
<th>Q4 2020</th>
<th>Q3 2020</th>
<th>Q4 2019</th>
<th>q-o-q</th>
<th>y-o-y</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS (AED)</td>
<td>0.040</td>
<td>0.032</td>
<td>0.104</td>
<td>25%</td>
<td>-62%</td>
</tr>
<tr>
<td>Gross Profit Margin %</td>
<td>25.5%</td>
<td>27.8%</td>
<td>32.1%</td>
<td>-2.3%</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Net Profit Margin %</td>
<td>3.7%</td>
<td>3.2%</td>
<td>10.8%</td>
<td>0.5%</td>
<td>-7.1%</td>
</tr>
<tr>
<td>EBITDA Margin %</td>
<td>11.2%</td>
<td>11.5%</td>
<td>19.6%</td>
<td>-0.3%</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Debt/Equity %</td>
<td>28.6%</td>
<td>31.6%</td>
<td>33.9%</td>
<td>3.0%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Q3 2020 is normalized by excluding nonrecurring provision of the damages caused by two major incidents, Lebanon’s explosion and warehouse fire in Morocco.
Q4 2020 is normalized by excluding provision for lawsuit from a customer resulting from the fire incident in Morocco and Expected Credit loss on cash at banks in Lebanon.

<table>
<thead>
<tr>
<th></th>
<th>Q4 2020</th>
<th>Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit margin would have been</td>
<td>7.3%</td>
<td>6.8%</td>
</tr>
<tr>
<td>EBITDA margin would have been</td>
<td>14.9%</td>
<td>15.1%</td>
</tr>
</tbody>
</table>
### Balance Sheet Highlights

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2020</th>
<th>31 Dec 2019</th>
<th>Movement</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Change %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>2,621</td>
<td>2,469</td>
<td>152</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td><strong>Assets held for sale</strong></td>
<td>218</td>
<td>0</td>
<td>218</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>3,277</td>
<td>3,274</td>
<td>3</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>6,115</td>
<td>5,743</td>
<td>372</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>2,243</td>
<td>2,083</td>
<td>160</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities held for sale</strong></td>
<td>94</td>
<td>0</td>
<td>94</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>1,071</td>
<td>1,027</td>
<td>44</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>3,408</td>
<td>3,110</td>
<td>298</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td><strong>Non-controlling interest</strong></td>
<td>16</td>
<td>15</td>
<td>1</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>2,691</td>
<td>2,617</td>
<td>74</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

### Asset Movement Y-o-Y (AED m)

- **Current Assets**
  - Cash: 5,743
  - Receivables: 255
  - Other: -103
  - PPE: -48
  - Fixed Assets: 36
  - Goodwill: 7
  - Other: 8
  - Total: 6,115

- **Non-Current Assets**
  - Total: 6,115

**Note:** N/A represents Not Applicable.
## Composition of Assets

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2020</th>
<th>31 Dec 2019</th>
<th>Actual</th>
<th>Movement in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>1,255</td>
<td>1,000</td>
<td>255</td>
<td>25%</td>
</tr>
<tr>
<td>Receivables (net)</td>
<td>1,094</td>
<td>1,196</td>
<td>-103</td>
<td>-9%</td>
</tr>
<tr>
<td>Other current assets</td>
<td>272</td>
<td>272</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total current assets</td>
<td>2,621</td>
<td>2,469</td>
<td>152</td>
<td>6.1%</td>
</tr>
<tr>
<td>Assets help for sale</td>
<td>218</td>
<td>0</td>
<td>218</td>
<td>N/A</td>
</tr>
<tr>
<td>Property, Plant and equipment (net)</td>
<td>957</td>
<td>1,005</td>
<td>-48</td>
<td>-5%</td>
</tr>
<tr>
<td>Goodwill (net)</td>
<td>1,136</td>
<td>1,128</td>
<td>8</td>
<td>1%</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>294</td>
<td>286</td>
<td>8</td>
<td>3%</td>
</tr>
<tr>
<td>Fixed assets ROU</td>
<td>890</td>
<td>854</td>
<td>36</td>
<td>4%</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>3,277</td>
<td>3,274</td>
<td>3</td>
<td>0.1%</td>
</tr>
<tr>
<td>Total assets</td>
<td>6,115</td>
<td>5,743</td>
<td>372</td>
<td>6.5%</td>
</tr>
</tbody>
</table>
Long Term Performance

Management Update | Q4 2020 Results | Long Term Performance | Management Outlook
International and Domestic Express contribution to total revenues continues to grow, outgrowing all other businesses. The key driver of this development is the fast-growing ecommerce volumes.

International and Domestic Express revenue contribution has grown from 56% to 71% as of Q4 2020.

Freight forwarding continues to decline from 32% revenue contribution to 20%.

On 3 February 2021, the Company entered into a Sale and Purchase Agreement (SPA) to dispose of its 100% equity interest in Information Fort LLC, products of Information Fort LLC, and other group of assets. The 2020 results of the consolidated income statement and 2019 comparatives reflect the disposals within results from discontinued operations. While 2015-2018 include infobfort figures.
Aramex Maintains a Track Record of Delivering Operational Excellence

We delivered a consistently strong performance since 2015

<table>
<thead>
<tr>
<th>2015 - 2020 CAGR</th>
<th>Revenues</th>
<th>Cost of Services</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.0%</td>
<td>10.7%</td>
<td>9.7%</td>
</tr>
</tbody>
</table>

On 3 February 2021, the Company entered into a Sale and Purchase Agreement (SPA) to dispose of its 100% equity interest in Information Fort LLC, products of Information Fort LLC, and other group of assets. The 2020 results of the consolidated income statement and 2019 comparatives reflect the disposals within results from discontinued operations. While 2015-2018 include Infofort figures.
Aramex Continues to Deliver Solid Top Line Performance

**Revenues (AEDm)**

- Revenue growth of 9% in 2020
- Revenue growth reflects additional income generated primarily in international cross border express business as well as in Asia Pacific

On 3 February 2021, the Company entered into a Sale and Purchase Agreement (SPA) to dispose of its 100% equity interest in Information Fort LLC, products of Information Fort LLC, and other group of assets. The 2020 results of the consolidated income statement and 2019 comparatives reflect the disposals within results from discontinued operations. While 2015-2018 include Infofort revenues.
EBITDA Before Special Items (AED m)

EBITDA before special items:

Aramex generated strong underlying results across the business

On 3 February 2021, the Company entered into a Sale and Purchase Agreement (SPA) to dispose of its 100% equity interest in Information Fort LLC, products of Information Fort LLC, and other group of assets. The 2020 results of the consolidated income statement and 2019 comparatives reflect the disposals within results from discontinued operations. While 2015-2018 include Infofort figures.

- 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.
- *** 2020 special items comprise: 3Q include the nonrecurring provision because of the damages caused by two major incidents, Lebanon’s explosion and the warehouse fire in Morocco AED 52,885 thousand
- 4Q: A provision for lawsuit from a customer resulting from the fire incident in Morocco AED 36,726 thousand and Expected Credit loss on cash at banks in Lebanon of AED 21,301 thousand.

CAGR 10.6%
Aramex Generates Consistent Performance Across Key KPIs

Long Term Performance

Excluding the fire incident related provisions in Lebanon & Morocco and expected credit loss on cash at bank in Lebanon, EBITDA margin for 2020 would have been 15.5%, Net Profit Margin would have been 6.9%, and Return on Equity would have been 14%.
On 3 February 2021, the Company entered into a Sale and Purchase Agreement (SPA) to dispose of its 100% equity interest in Information Fort LLC, products of Information Fort LLC, and other group of assets. The 2020 results of the consolidated income statement and 2019 comparatives reflect the disposals within results from discontinued operations. While 2015-2018 include Infofort revenues.
Defending and Developing our Market Position in Growth Markets

Contribution by Geography (AED m)

Growth story since 2015

CAGR Middle East  1.9%
CAGR Europe  4.6%
CAGR North America  14.4%
CAGR Asia & Other  36.3%

On 3 February 2021, the Company entered into a Sale and Purchase Agreement (SPA) to dispose of its 100% equity interest in Information Fort LLC, products of Information Fort LLC, and other group of assets. The 2020 results of the consolidated income statement and 2019 comparatives reflect the disposals within results from discontinued operations. While 2015-2018 include Infofort revenues.
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 28.6% as of 31 Dec 2020

*Debt for this purpose consists of interest-bearing short & long term liabilities
Aramex Management Proposes to Pay a Dividend of AED 0.130 for 2020

Dividends

Dividend proposal of AED 0.130 per share to be approved by the shareholders at AGM on 21st April 2021

Gross dividend yield: 4.8%

*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 2015 - Dec 2020)**

- **Share price change:** 43.14%
- **Annualized return:** 4.58%
- **Total return (dividends reinvested):** 5.01%

**Total Return**

- 6.50%
- 33.50%
- 8.90%
- 3.77%
- -2.19%
- 29.00%
Management Outlook
<table>
<thead>
<tr>
<th>Grow the Business</th>
<th>Consistent Profitability</th>
<th>Shareholder Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on innovation and technology</td>
<td>Focus on operational excellence</td>
<td>Continue with our progressive dividend policy</td>
</tr>
<tr>
<td>Grow eCommerce Portfolio</td>
<td>Variabilization of cost structure</td>
<td></td>
</tr>
<tr>
<td>Organic growth plus acquisitions</td>
<td>Actively manage FX volatility</td>
<td></td>
</tr>
<tr>
<td>Attractive growth markets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Outlook & Guidance

Long Term Ambition Level - Projected Roadmap to 2022

* Excluding the fire incident related provisions in Lebanon & Morocco and expected credit loss on cash at bank in Lebanon

2020 EBITDA would have been 852
Investor Relations Contacts

Bashar Obeid  
CEO

Nadia Abu Sarah  
CFO

Thomas Kipp  
COO

Anas Hijjawi  
CCO

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