



# Investors Presentation

## Q2 2019 Results

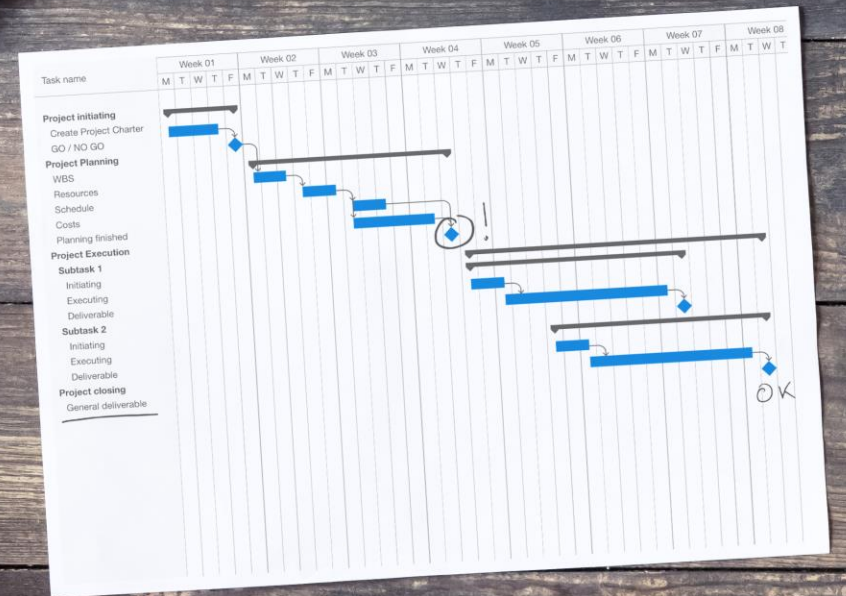
**aramex**  
delivery unlimited

This presentation has been prepared solely for informational purposes. The presentation may contain forward looking statements, which reflect our beliefs or current expectations and assumptions regarding the future of the business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward looking statements are neither historical facts nor assurances of future performance and can generally be identified by terminology including "anticipate", "aspire", "believe", "project", "estimate", "expect", "forecast", "strategy", "target", "trend", "future", "likely", "may", "should", "will", "intend", "plan", "goal", "objective", "seek", "roadmap", and other words of similar meaning or similar expressions.

By their nature, forward looking information and statements are subject to known and unknown uncertainties, risks and changes in circumstances that are difficult to predict and not in our control. Our actual results of operations and financial conditions may differ materially from that or those indicated in the forward looking statements. You should not place undue reliance on any of these forward looking statements.

Any forward looking statement made by us in the presentation is based only on information currently available to us and speaks only as to the date on which this presentation is made. Past performance is not a reliable indication of future performance. We make no representations or warranties as to the accuracy, or completeness of the information and shall not have any liability for any representations, express or implied, regarding the information contained in, or for any omissions from, the information included in this presentation. We undertake no obligation to publicly update any forward looking statement whether as a result of new information, future developments or otherwise. The information contained in the presentation is prepared to assist prospective investors in making their own evaluation of the Company.

# Management Update



# Aramex is a Global Provider of Logistics and Transportation Solutions

15,623 Employees

600+ Offices in 65+ Countries

AED 2.5 Billion Revenues

AED 6.2 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 Q2 2019

**AED 4.24**

Total Return Metrics

**6.98%**

YTD 2019 share price increase and total shareholder return (dividend reinvested)

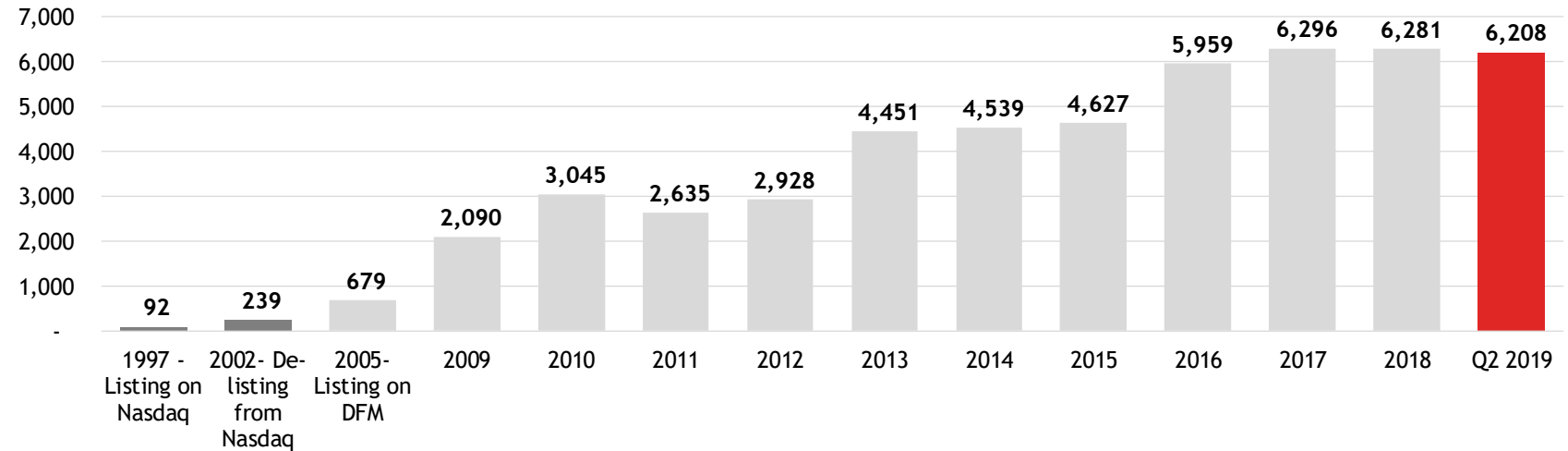
**-7.93%**

2018 share price increase

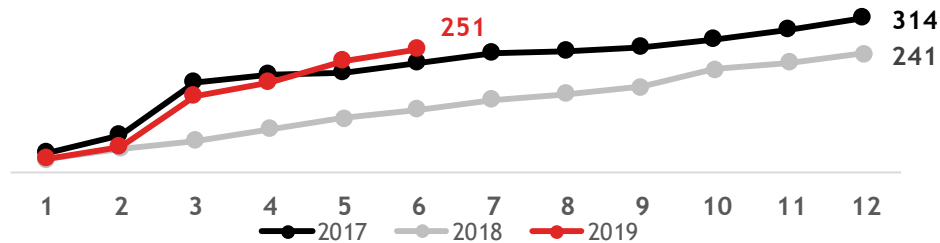
**-4.23%**

2018 total shareholder return (dividend reinvested)

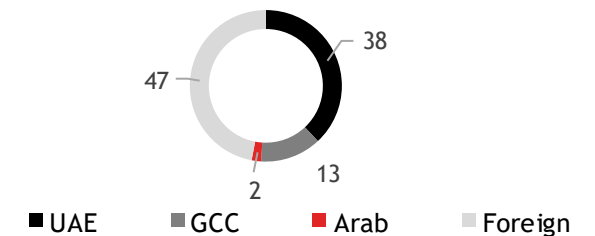
Market Capitalization (AEDm)









Aramex cumulated traded volume (million shares)



Geographic Ownership



Management Delivers on overall 2019 Revenue Targets

		2018 Actual		2019 Target		1H 2019 Actual	
Express		↑ 13%	AED 2,273 m	Single-digit growth	↑ 9%	AED 1,119 m	
Freight Forwarding		↑ 1%	AED 1,164 m	Single-digit growth	↓ 3%	AED 564 m	
Domestic		↑ 3%	AED 1,051 m	Single-digit growth	↓ 3%	AED 514 m	
Logistics		↑ 16%	AED 302 m	Double-digit growth	↑ 20%	AED 170 m	
Other		↑ 8%	AED 296 m	Single-digit growth	↑ 0.4%	AED 146 m	
Total		↑ 8%	AED 5,086 m	Single-digit growth	↑ 4%	AED 2,512 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

# 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

## 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



# Q2 2019 Results

Strong Top and Bottom Line Performance

Q2 2019 Results

Revenues

4% growth compared to Q2 2018

EBITDA

27% year on year headline EBITDA growth

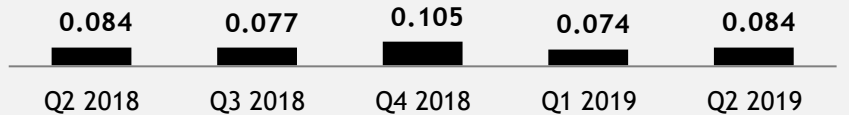
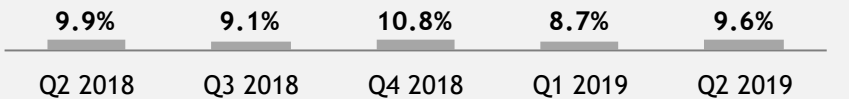
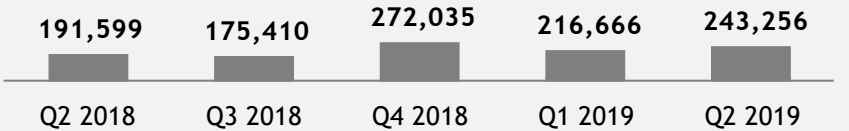
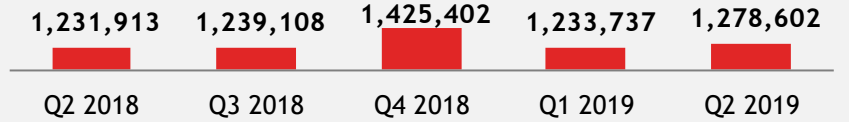
Net Profit Margin

-0.29bp margin improvement year on year

EPS

1% earnings per share increase

Performance across key indicators (AED)



## Management Comments

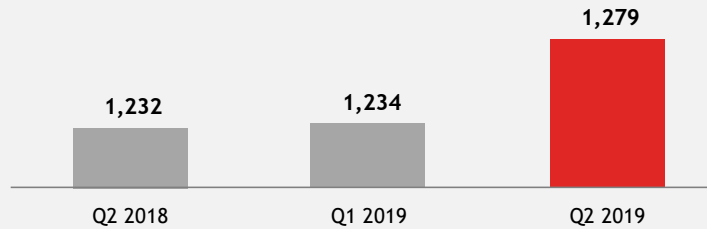
Revenues growth impacted by currency fluctuations, mainly in the South African Rand and Australian Dollar; as well as the company's strategic restructuring of its operations in India through exiting the Domestic Express market.

Net profit was negatively impacted by the implementation of IFRS16 related to accounting for leases.

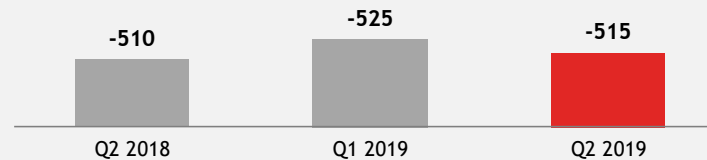
Global e-commerce volumes enjoyed solid double-digit growth. However, lower yields impacted margins and moderated topline figures.

Successfully capped Overheads; while Operating Expenses increased due to strategic investments in infrastructure in key markets.

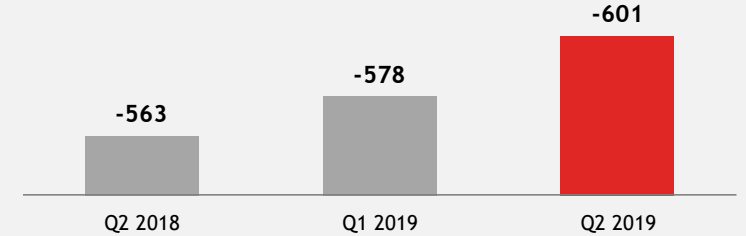
### Revenue (AED m)



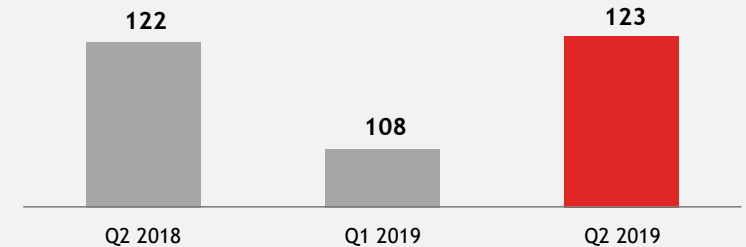
### Total Overheads (AED m)



### Cost of Revenues (AED m)



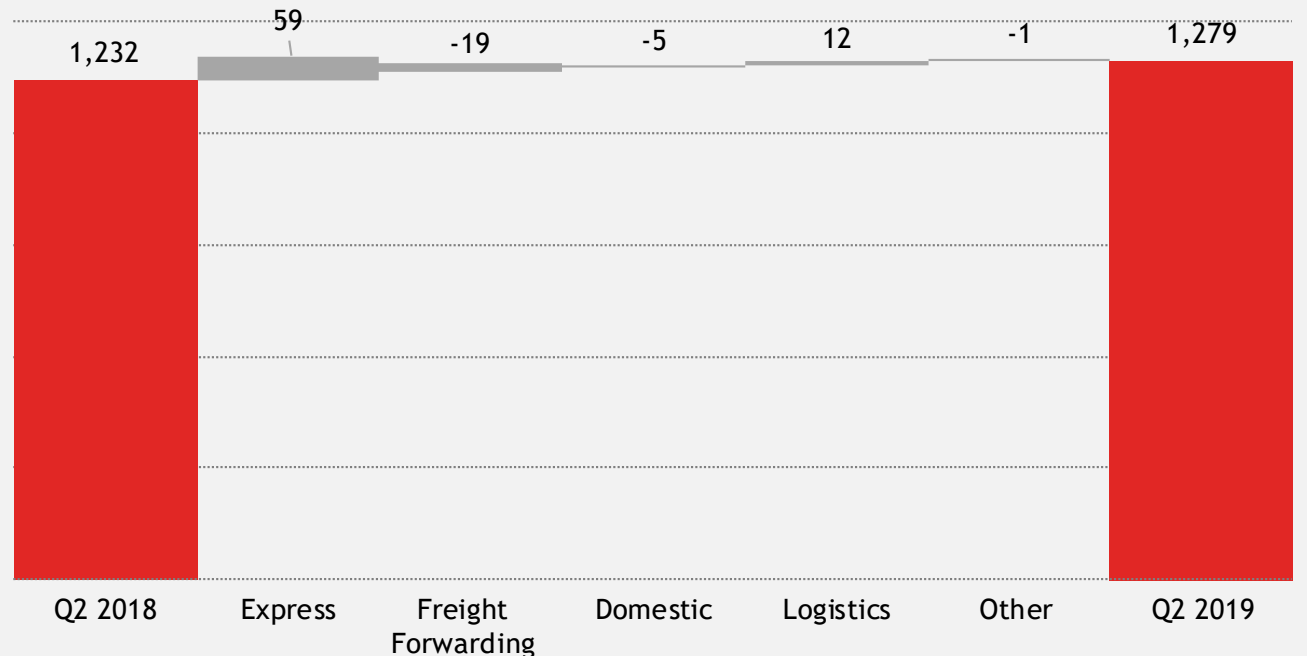
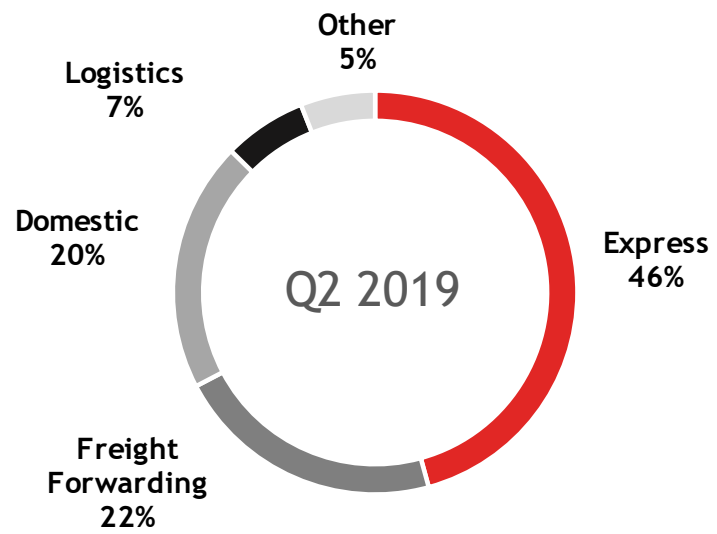
### Attributable Net Profit (AED m)



Income Statement (AEDm)

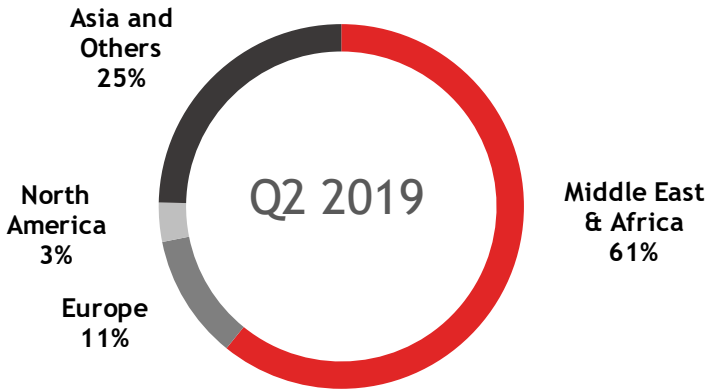
	Q2 2019	Quarter		Movement (%)	
		Q1 2019	Q2 2018	q-o-q	y-o-y
Revenue	1,279	1,234	1,232	4%	4%
Cost of Revenue	(601)	(578)	(563)	-4%	-7%
Gross Profit	678	656	669	3%	1%
Overheads	(515)	(525)	(510)	2%	-1%
Profit for the period	123	108	122	14%	1%
EBITDA	243	217	192	12%	27%

Revenues by Segment (AED m)

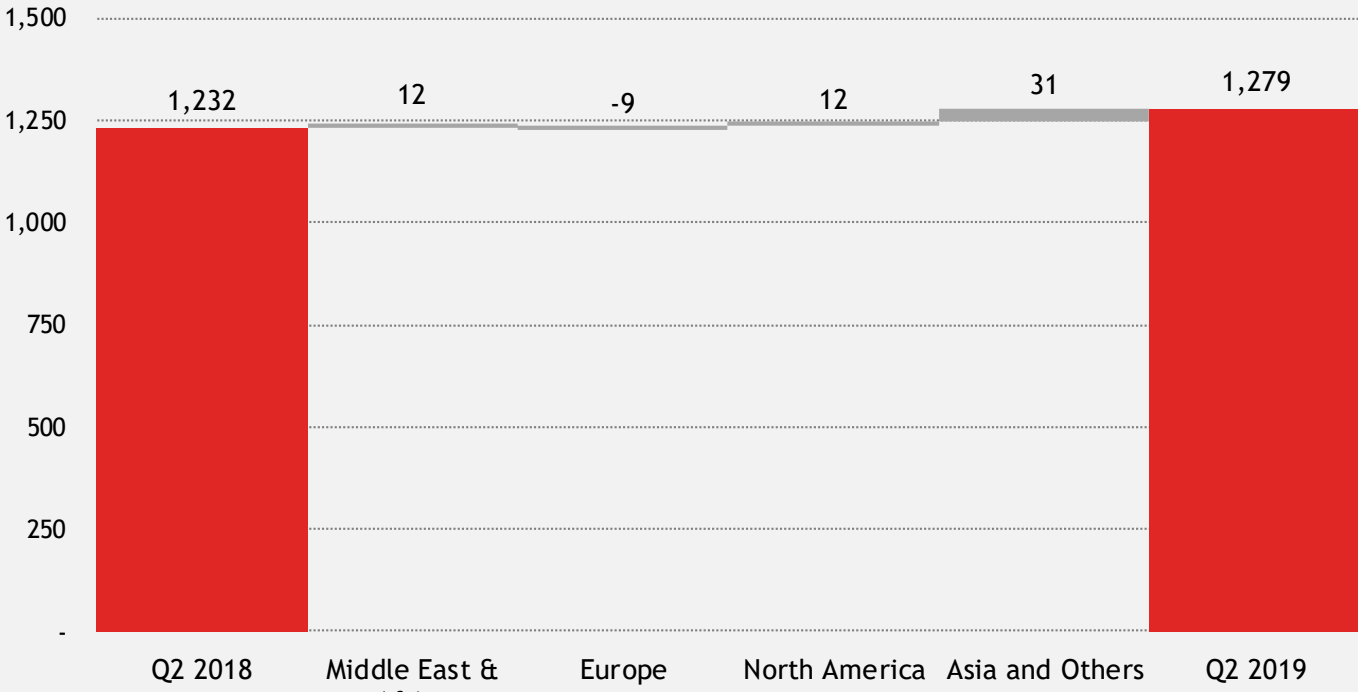
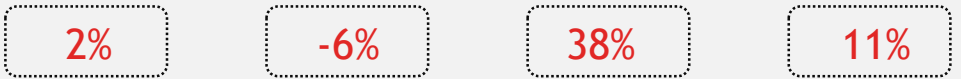




Revenues by Geography



Y-o-Y Growth



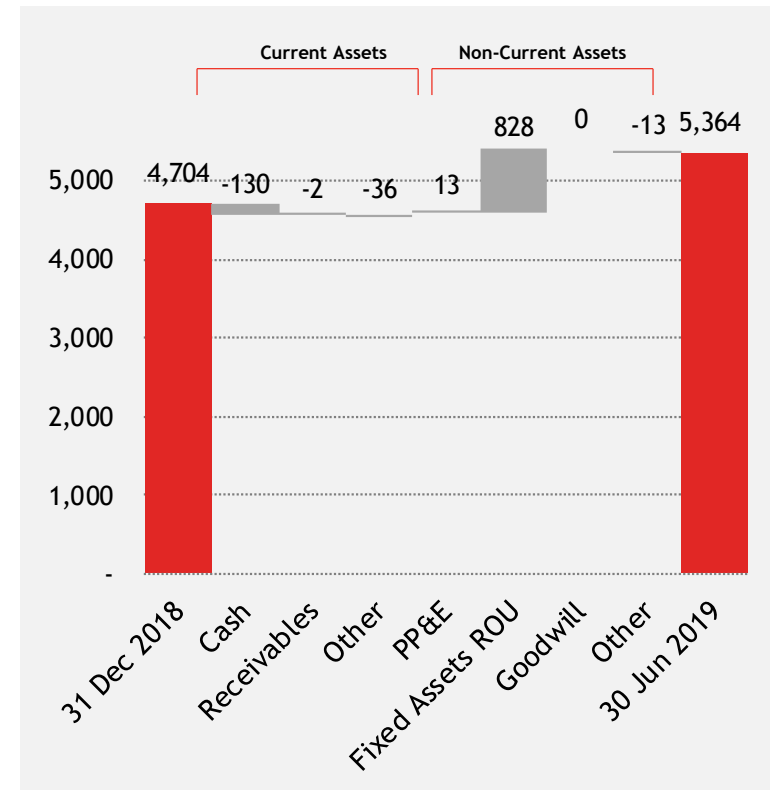
Financial Ratios (AEDm)

	Q2 2019	Q1 2019	Q2 2018	Movement (%)	
				q-o-q	y-o-y
EPS (AED)	0.084	0.074	0.084	14%	1%
Gross Profit Margin %	53.0%	53.2%	54.3%	-0.2%	-1.3%
Net Profit Margin %	9.6%	8.7%	9.9%	0.9%	-0.3%
EBITDA Margin %	19.0%	17.6%	15.6%	1.4%	3.4%
Debt/Equity %	38.5%	28.6%	29.9%	-9.9%	-8.6%

Balance Sheet Highlights

	30 Jun 2019	31 Dec 2018	Movement	
			Actual	Change %
Current assets	2,163	2,330	-167	-7%
Non-current assets	3,201	2,374	827	35%
Total assets	5,364	4,704	660	14%
Current liabilities	2,001	1,862	139	7%
Non-current liabilities	991	410	581	142%
Total liabilities	2,992	2,272	720	32%
Non-controlling interest	14	22	-8	-39%
Shareholders' equity	2,359	2,410	-51	-2%

Asset Movement Y-o-Y (AED m)



## Financial Ratios (AEDm)

	30 Jun 2019	31 Dec 2018	Actual	Movement in %
Cash and cash equivalents	707	837	-130	-15%
Receivables (net)	1,139	1,141	-2	0%
Other current assets	317	353	-36	-10%
<b>Total current assets</b>	<b>2,163</b>	<b>2,330</b>	<b>-167</b>	<b>-7.2%</b>
Property, Plant and equipment (net)	962	950	12	1%
Goodwill (net)	1,125	1,125	0	0%
Other non-current assets	287	300	-13	-4%
Fixed assets ROU	828	0	828	N/A
<b>Total non-current assets</b>	<b>3,201</b>	<b>2,374</b>	<b>827</b>	<b>34.8%</b>
<b>Total assets</b>	<b>5,364</b>	<b>4,704</b>	<b>660</b>	<b>14.0%</b>

# Long Term Performance



## Evolution of Express Business - Outgrowing Freight Forwarding

### Segmental Revenues (%)

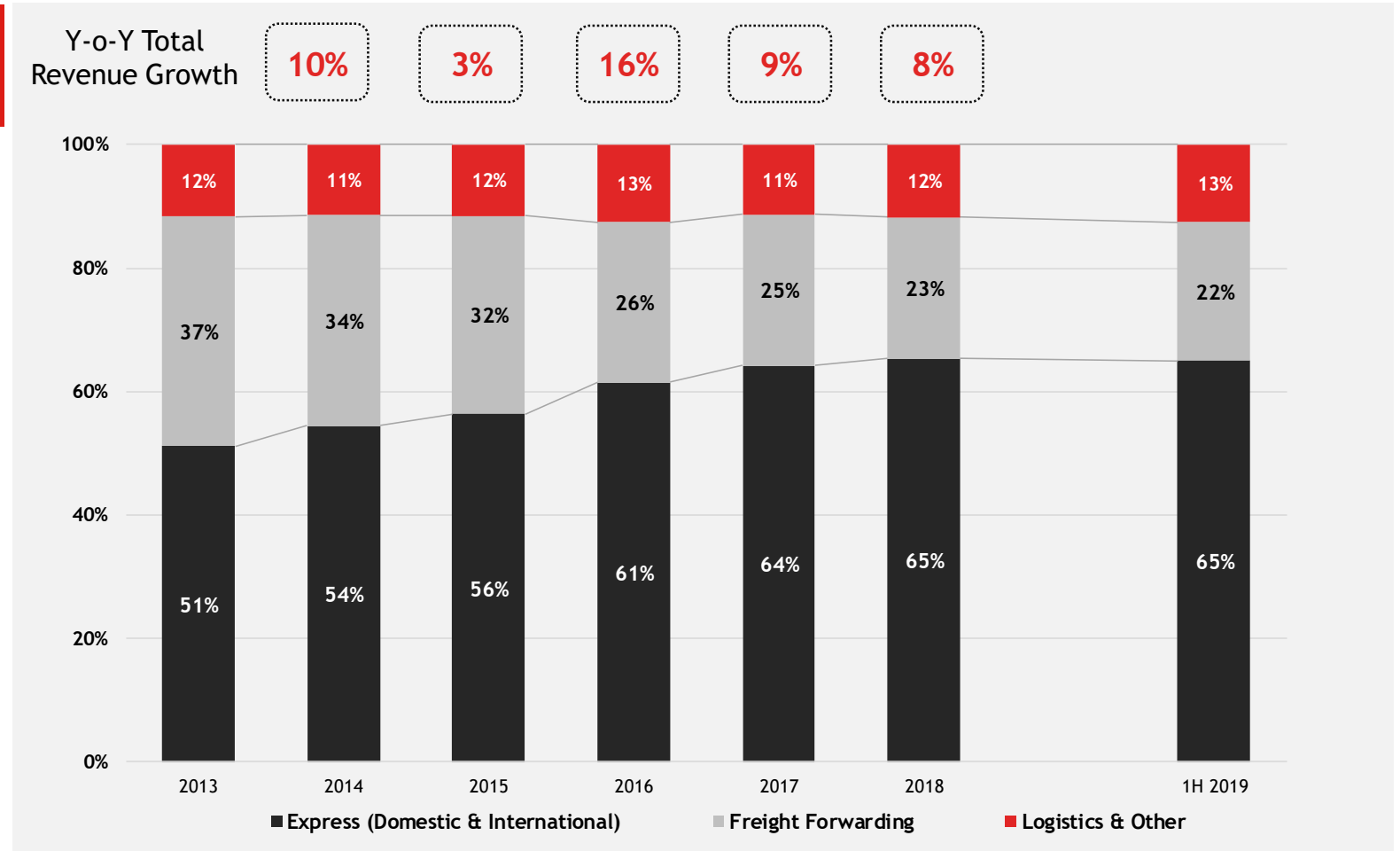
Express contribution to total revenues continues to grow, outgrowing all other businesses.

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

Express revenue contribution has grown from 51% to 65% as at Q2 2019.

Freight forwarding continues to decline from 37% revenue contribution to 22%.

Management expects this trend to continue throughout 2019 and beyond.



## Aramex 2013 - 2018 (indexed)

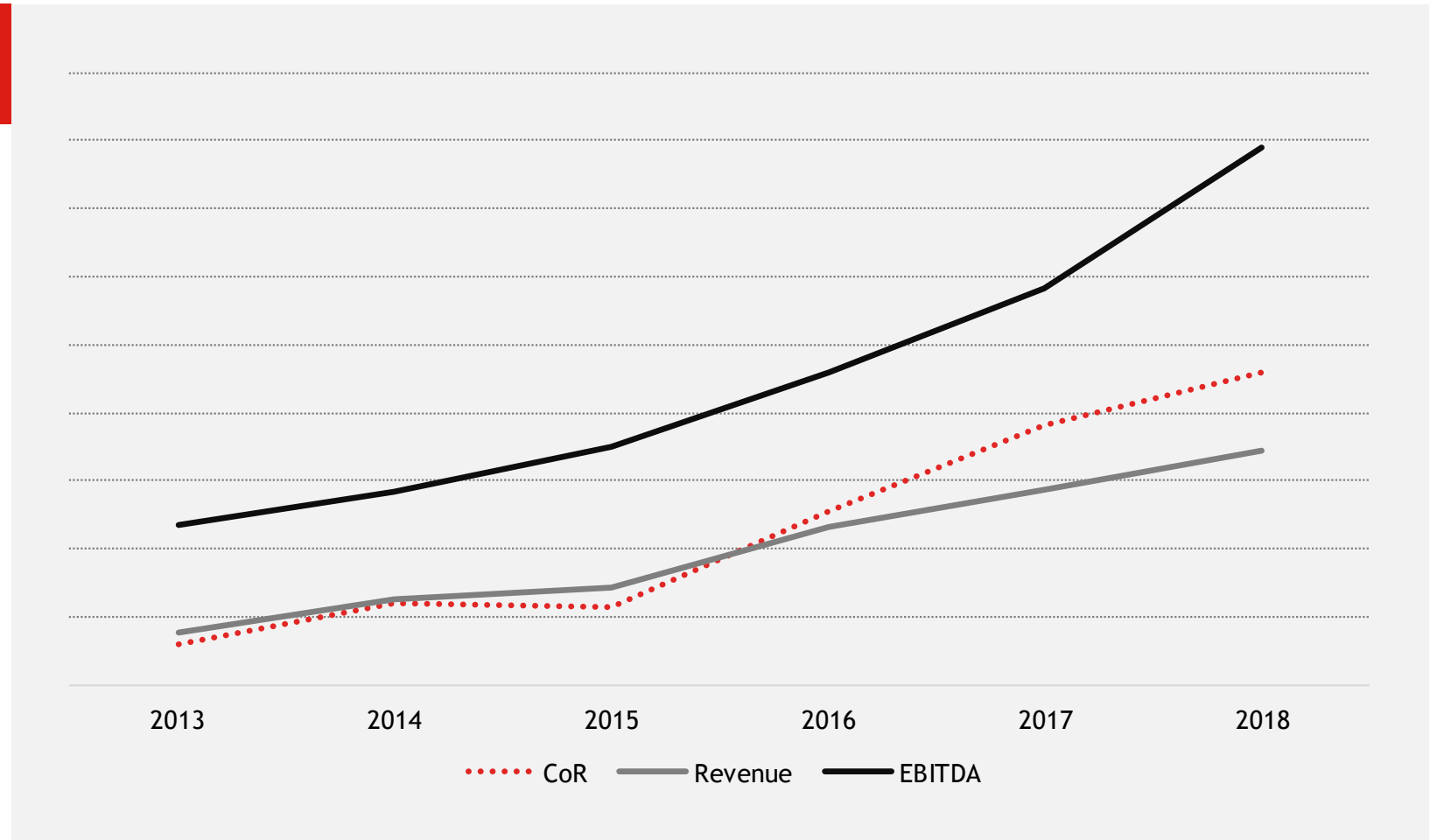
We delivered a consistently strong performance since 2013

2013 - 2018 CAGR

Revenues 8.9%

Cost of Revenues 8.8%

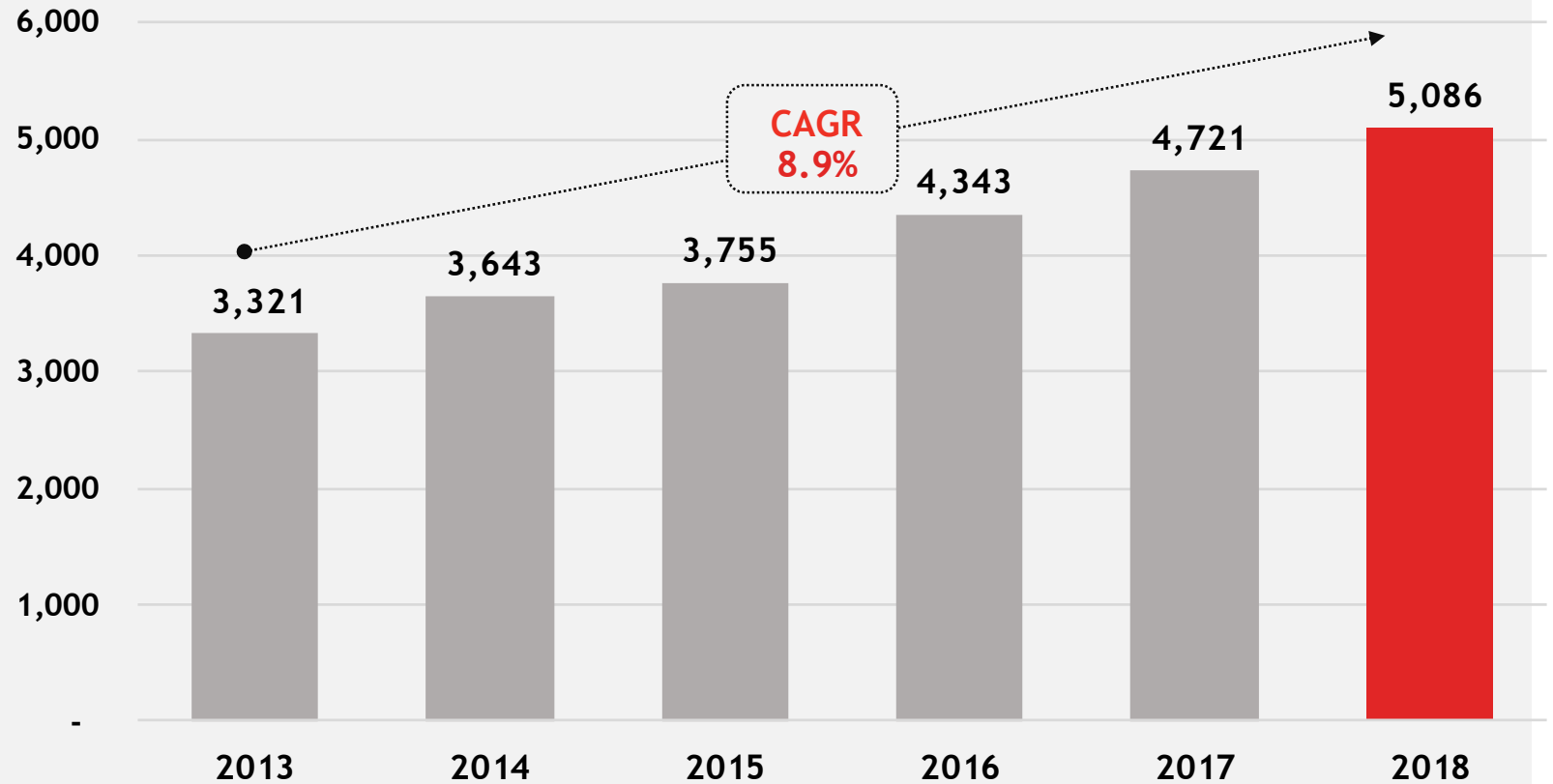
EBITDA 13.1%



## 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

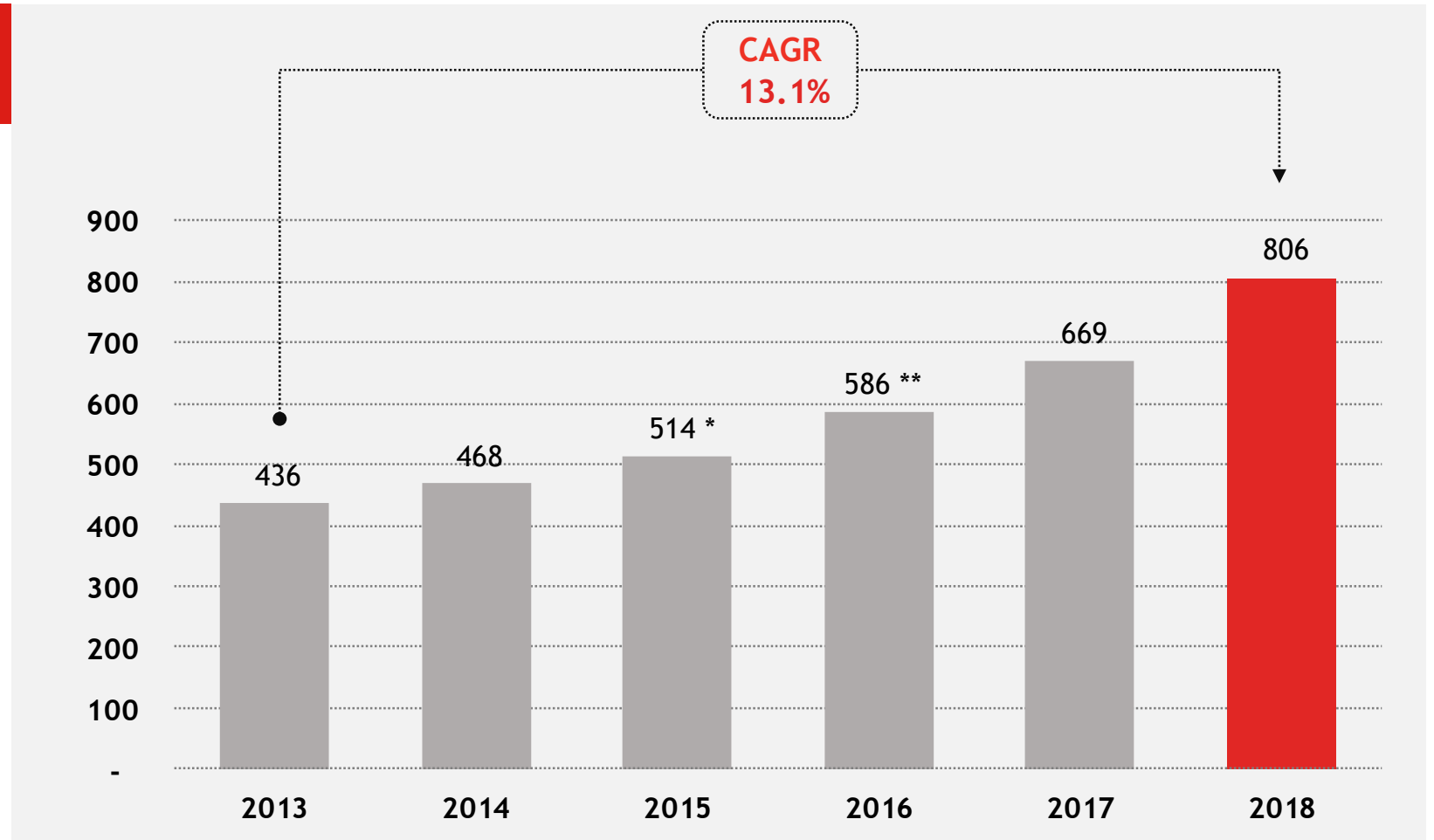




EBITDA Before Special Items (AED m)

EBITDA before special items:

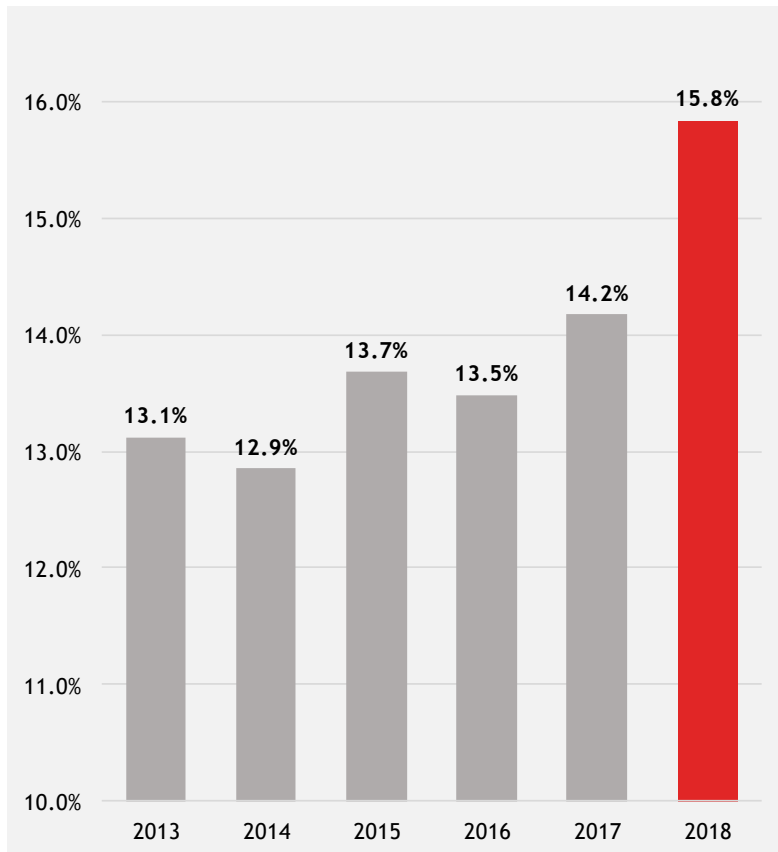
Aramex generated strong underlying results across the business



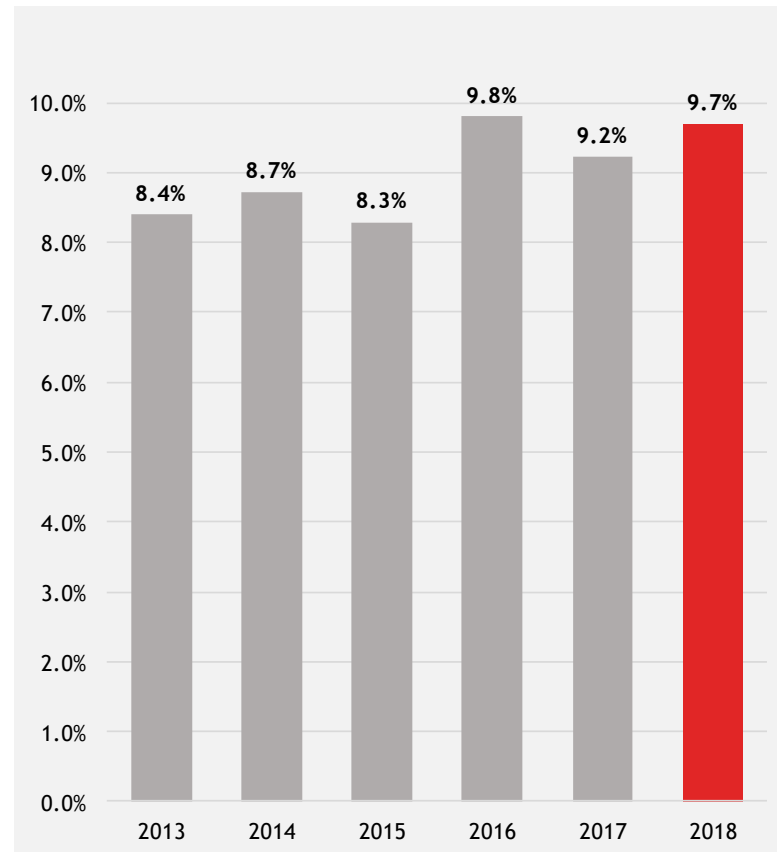
\* 2015 - additional provision of AED 46,271 thousand related to company's incentive scheme.  
 \*\* Special items comprise: 2Q 2016 - gain on bargain purchase of AMC of AED 41,568 thousand.

# Aramex Generates Consistent Performance Across Key KPIs

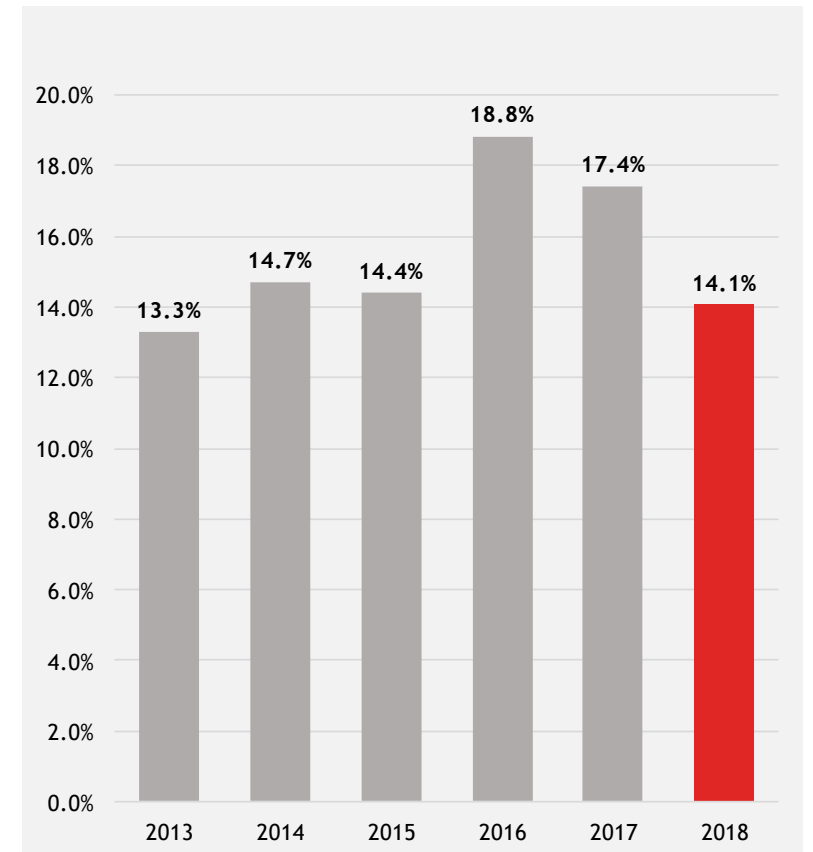
### EBITDA Margin (%)



### Net Profit Margin (%)



### Return on Equity (%)

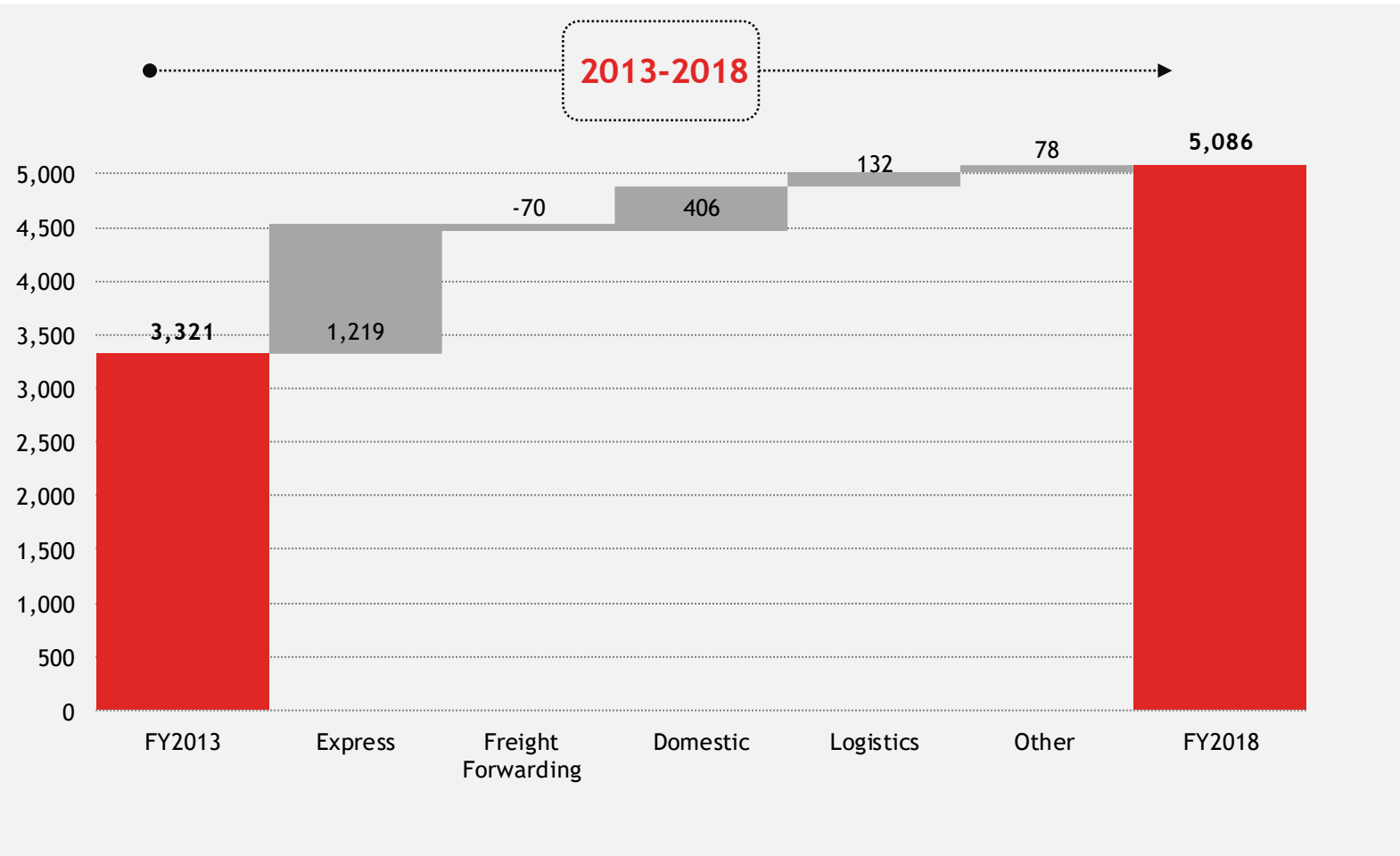


# Key Components of Aramex's Long Term Growth Story

## Contribution by Business (AED m)

### Growth story since 2013

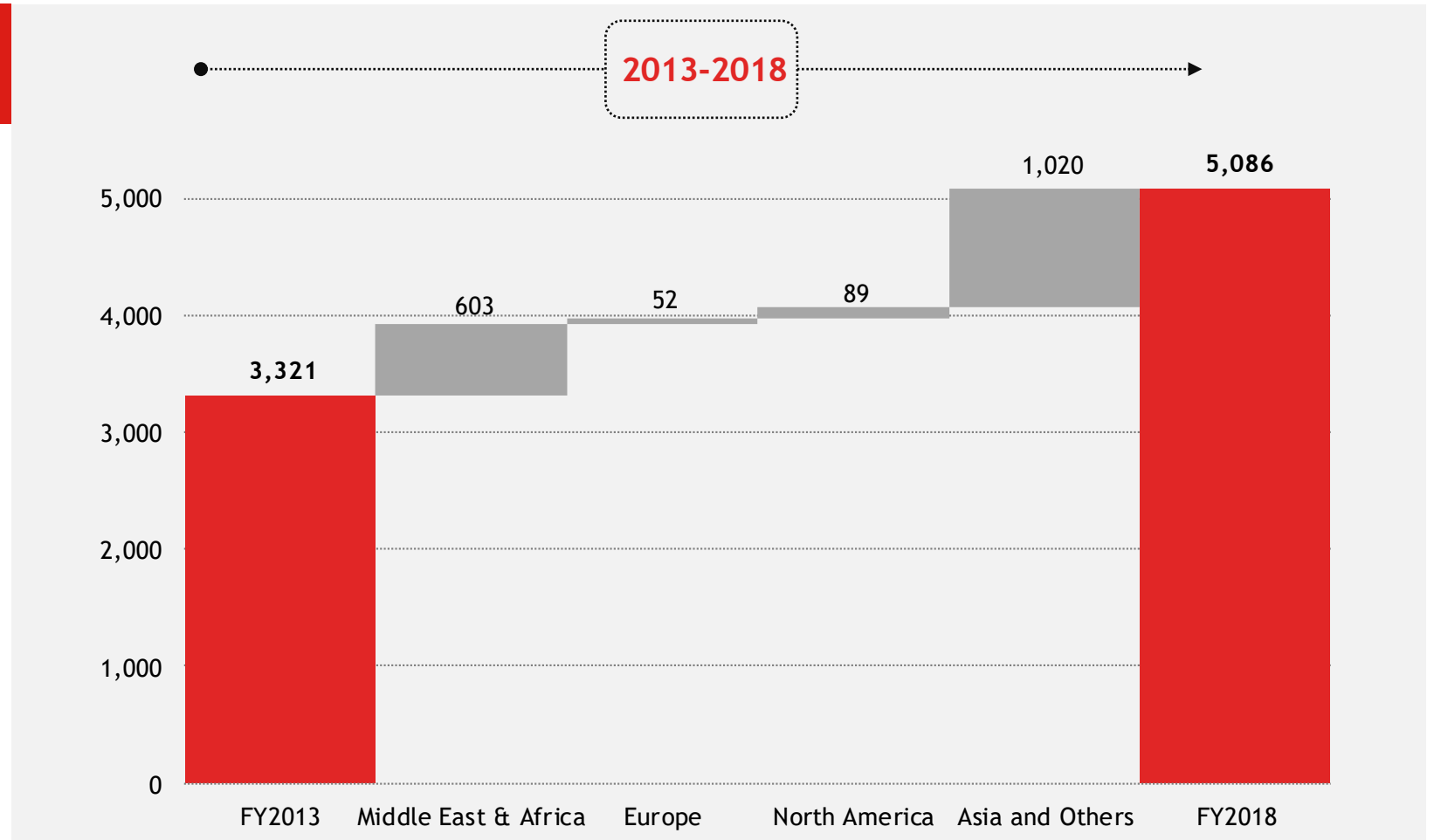
CAGR Express	<b>16.6%</b>
CAGR Freight Forwarding	<b>-1.2%</b>
CAGR Domestic	<b>10.3%</b>
CAGR Logistics	<b>12.2%</b>
CAGR Other	<b>6.3%</b>



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>



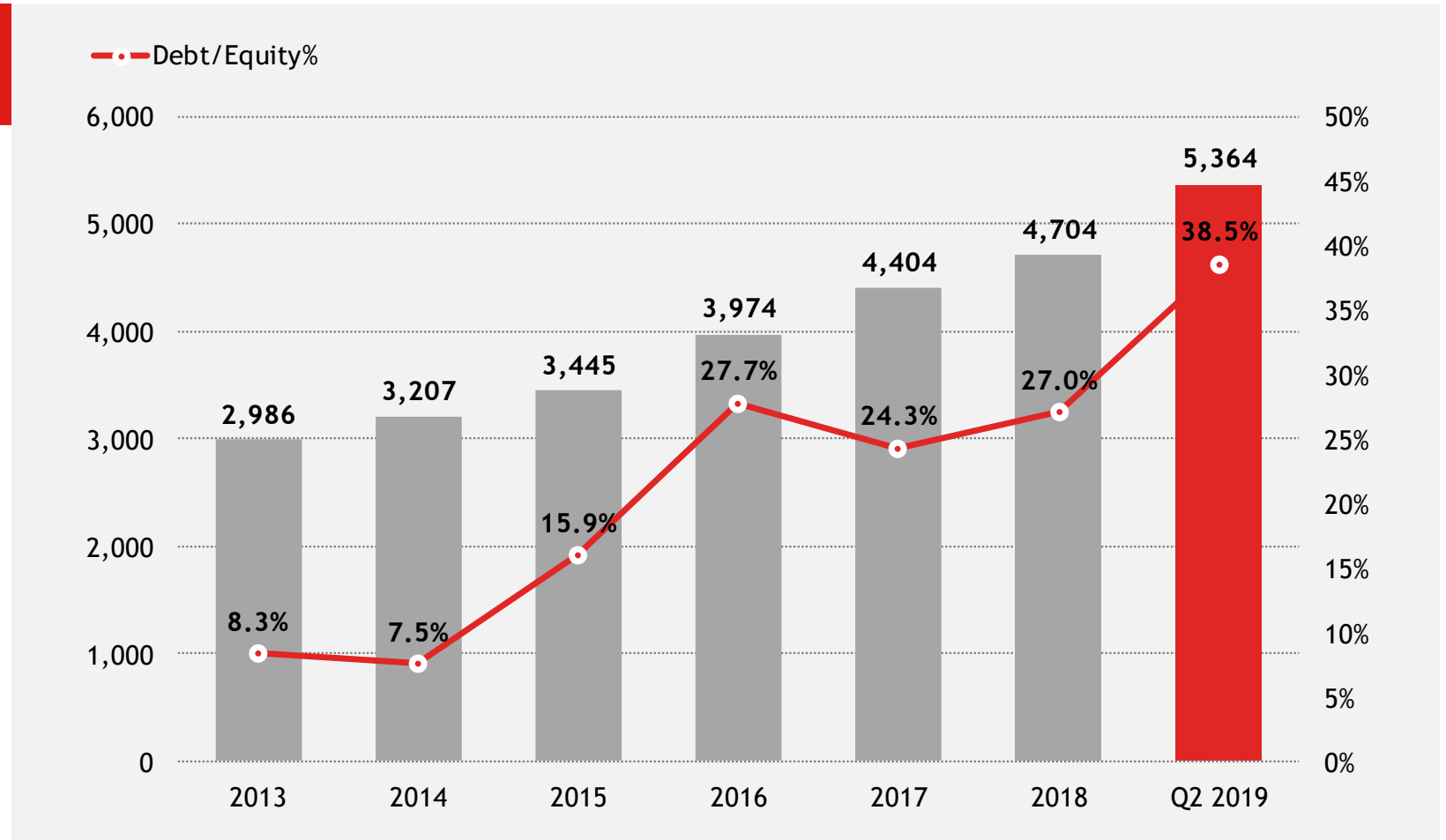
Total Assets (AED m)

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 38.5% as of 30 Jun 2019



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

## Dividends

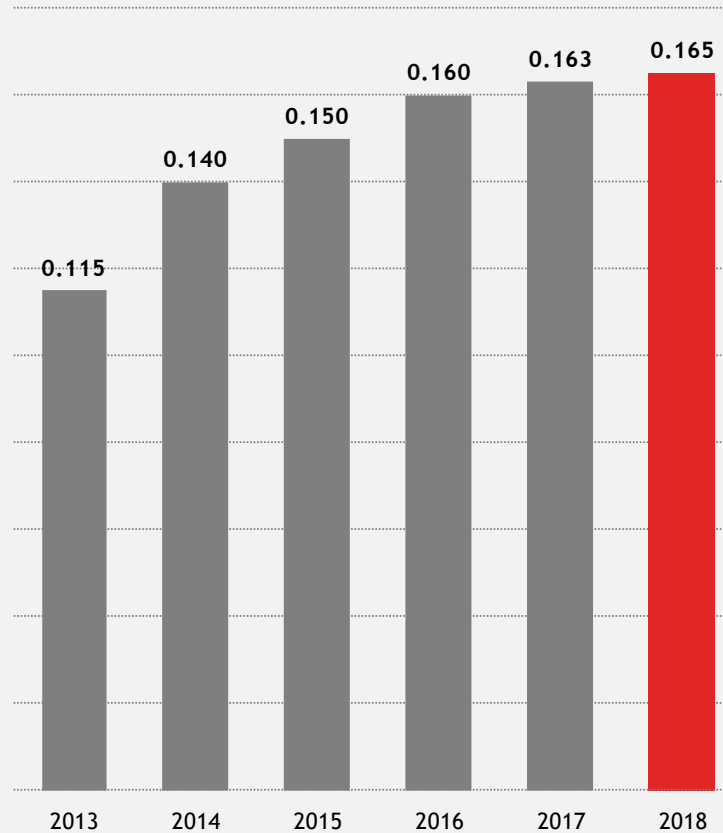
Dividend proposal of AED 0.165 per share was approved by shareholders at AGM on 10 April 2019

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 - Jun 2019 )

Share price change: **107.84%**

Annualized return: **16.94%**

Total return  
(dividends reinvested): **170.89%**

Total Return

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

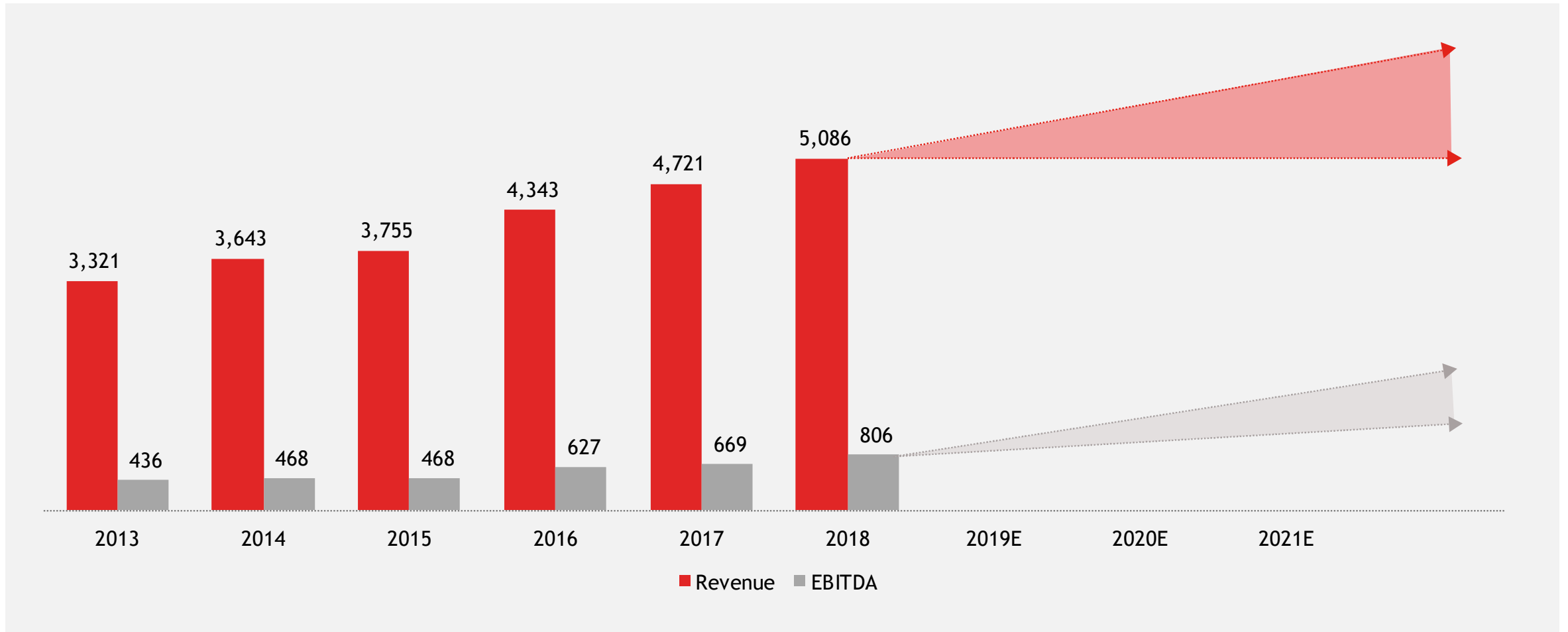
Shareholder Participation

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	Single-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	Double-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	Single-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)