

# Investor Presentation

## 4Q and FY 2015 Results

Hussein Hachem, CEO  
Bashar Obeid, CFO

Management Update

4Q 2015 Results

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Long-term Performance

Outlook & Guidance

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# Management Update

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# Aramex is a global provider of logistics and transportation solutions

## Aramex Today

Key Messages

Management Focus

Financial Performance

Value Creation

Core Beliefs

13,830 Employees

350+ offices in 60 Countries

Listed on Dubai Financial Market

AED 4.3 billion market cap

## Key Messages

# Aramex is well positioned for future growth

Leader in Transport and 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

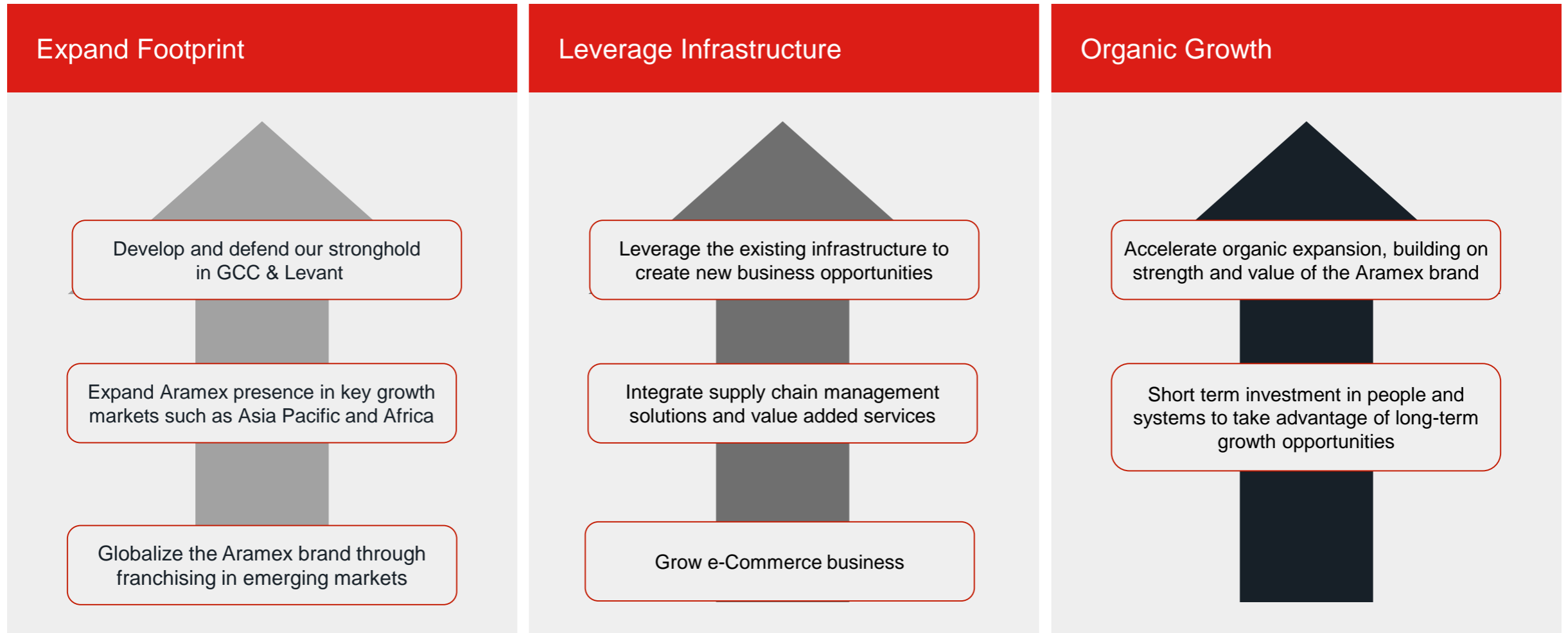
Growth →

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



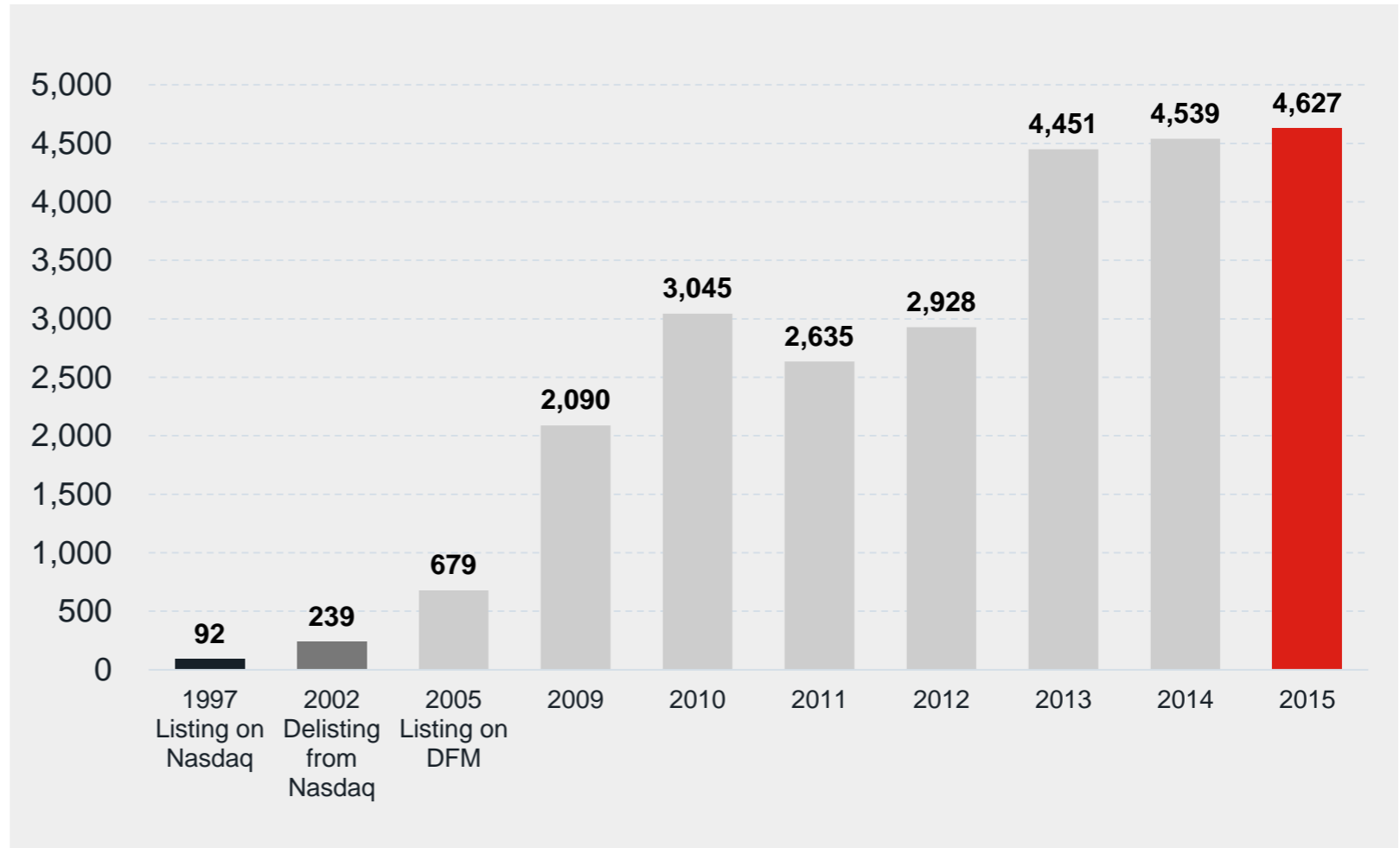
# Aramex continues to deliver solid performance



# Aramex shareholders consistently participate in growth

**Market Capitalization (AED m) →**

| Dividend | Payout (per share) | Ratio |
|----------|--------------------|-------|
| 2012     | AED 0.100          | 52.2% |
| 2013     | AED 0.115          | 60.6% |
| 2014     | AED 0.140          | 62.8% |
| 2015e    | Target             | >60%  |



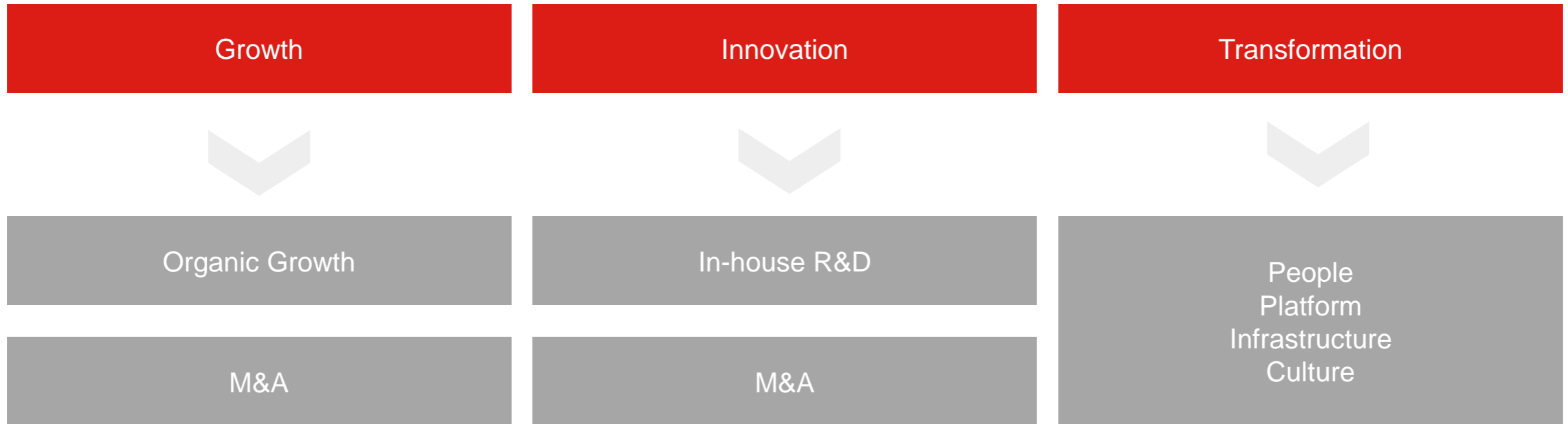


Core Beliefs

# 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   |

# Three key components drive our operational roadmap



## M&A: Focus is on eCommerce and last mile delivery

|                                   |   |  |
|-----------------------------------|---|--|
| Aramex                            | → | Fastway Ltd – last mile delivery   |
| 21 Jan 2016                       | ↑ | 100% acquisition at AED 293.65 million; cash + debt  |
| Strong last mile delivery network | ↑ | 1,500 courier franchisees across Australia, New Zealand, Ireland, Northern Ireland and South Africa. |
| Value Add                         | ↑ | Asset-light, 63 regional depots, technology savvy, new market exposure                               |
| Scale                             | ↑ | Fastway transports 16 million parcels globally to 75,000 customers each year                         |
| Target                            | ↑ | EPS accretive from day one   |

## M&A: Focus is on eCommerce and last mile delivery

|             |   |   |
|-------------|---|---|
| Aramex      | → | Startup Portfolio   |
| In FY 2015  | ↑ | 6 small acquisitions of eCommerce and last mile delivery networks |
| Geographies | ↑ | 2 x India, 1x Canada, 1x Brazil, 1x Saudi Arabia, 1 x Dubai       |
| Focus areas | ↑ | Parcel delivery, Food delivery, Laundry delivery                  |
| Purpose     | ↑ | Integration into existing Aramex network                          |
| Target      | ↑ | EPS accretive within 3 years                                      |

# 4Q 2015 Results

**aramex**

Hussein Hachem, CEO  
Bashar Obeid, CFO

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## Q4 2015 Financial Highlights

### Income Statement (AED m) →

|  | Quarter |         |         | Movement (%) |        |
|--|---------|---------|---------|--------------|--------|
|  | 4Q 15   | 3Q 15   | 4Q 14   | q-o-q        | y-o-y  |
| Revenue                                | 1,003.3 | 937.5   | 956.8   | 7.0%         | 4.9%   |
| Cost of services                       | (434.9) | (409.9) | (428.6) | -6.1%        | -1.5%  |
| Gross profit                           | 568.4   | 527.5   | 528.1   | 7.7%         | 7.6%   |
| Overheads                              | (497.0) | (437.8) | (421.0) | -13.5%       | -18.0% |
| Income before tax                      | 72.5    | 88.1    | 107.6   | -17.7%       | -32.6% |
| Profit after tax from cont. operations | 66.8    | 78.6    | 96.8    | -15.0%       | -31.0% |
| Profit for the period                  | 66.8    | 78.6    | 97.3    | -15.0%       | -31.4% |
| Attributable income                    | 57.6    | 74.6    | 89.4    | -22.8%       | -35.6% |
| EBIT (Operating income)                | 71.2    | 88.6    | 105.8   | -19.6%       | -32.7% |
| EBITDA                                 | 93.5    | 110.7   | 127.2   | -15.6%       | -26.5% |

# Q4 2015 Financial Highlights

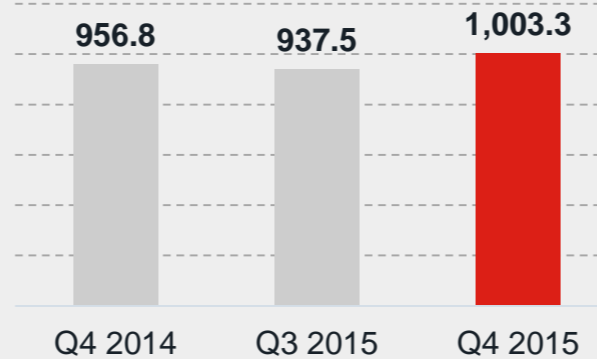
## Management Comments →

5% Revenues increase mainly driven by double-digit growth in Express business (14.5% y-o-y); CoR remained stable (+1.5%)

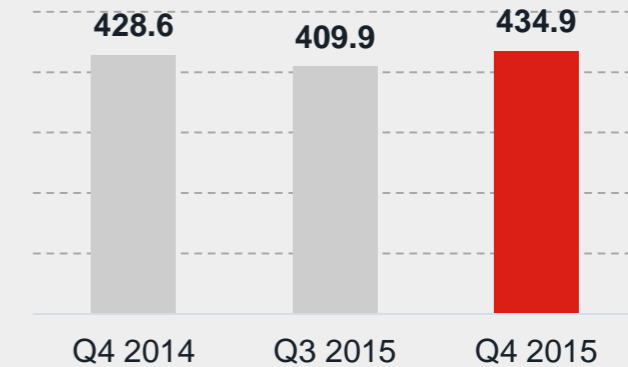
Total Overheads were offset by AED 46.4 m provision for management incentive plan

Attributable income decline reflects special item, excluding this Aramex grew attributable income by 16.4% to AED 104 m

Revenues (AED m)



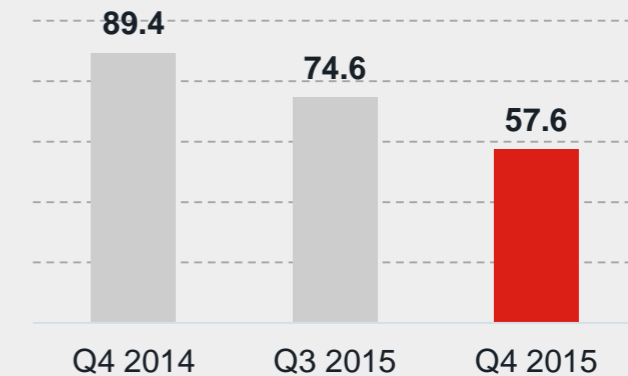
CoR (AED m)



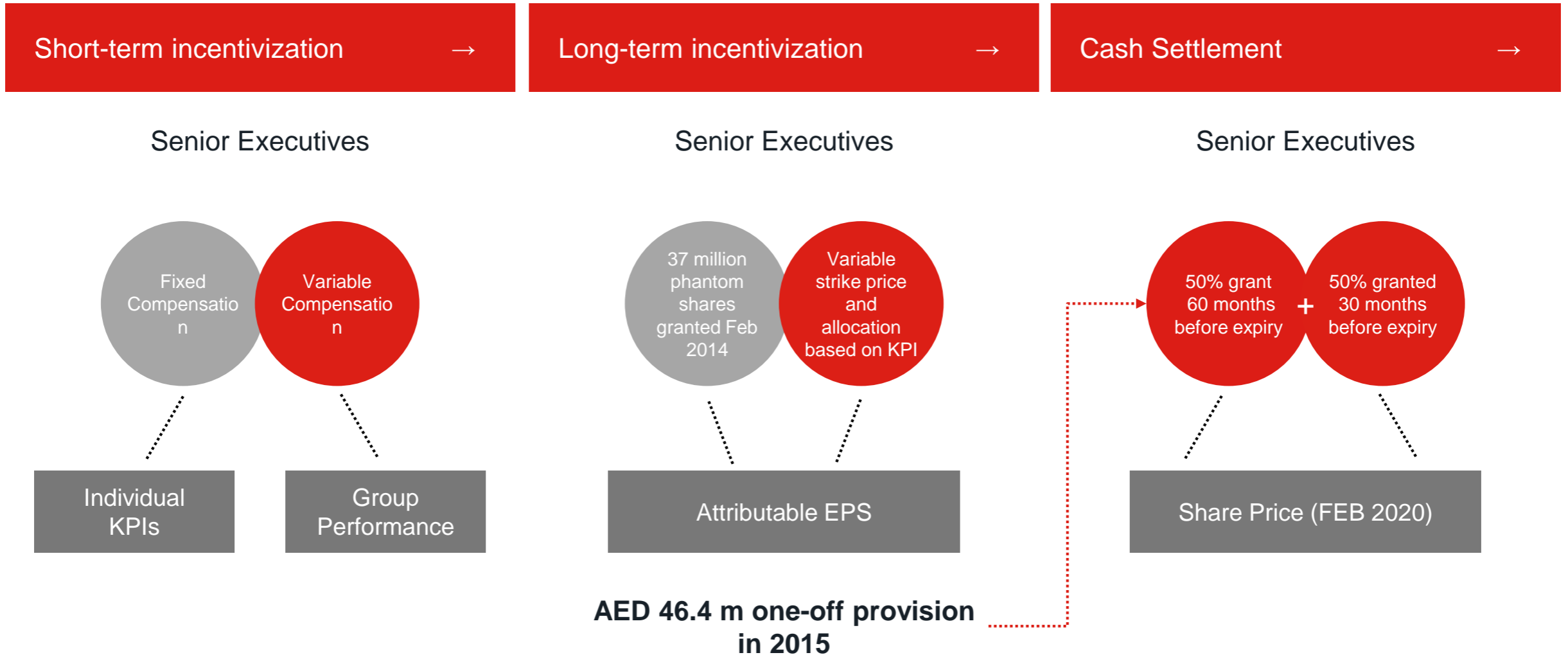
Total Overheads (AED m)



Attributable Income (AED m)



# Incentive plan aligns management and shareholder interests





# Q4 2015 Financial Highlights

## Financial Ratios (AED m) →

|                         | Quarter |       |       | Movement (%) |       |
|-------------------------|---------|-------|-------|--------------|-------|
|                         | 4Q 15   | 3Q 15 | 4Q 14 | q-o-q        | y-o-y |
| EPS (AED)               | 0.039   | 0.051 | 0.061 | -23%         | -36%  |
| Gross profit margin (%) | 57%     | 56%   | 55%   | 0%           | 1%    |
| Net profit margin (%)   | 6.7%    | 8.4%  | 10.2% | -1.7%        | -3.5% |
| EBITDA margin %         | 9.3%    | 11.8% | 13.3% | -2.5%        | -4.0% |
| ROE %                   | 10.7%   | 13.7% | 16.5% | -3.1%        | -5.9% |
| ROA %                   | 6.7%    | 9.4%  | 11.1% | -2.7%        | -4.5% |
| Debt/Equity %           | 16.2%   | 7.6%  | 7.6%  | -8.7%        | -8.6% |
| BVPS (AED)              | 1.48    | 1.48  | 1.48  | 0%           | 0%    |



# 2015 Results

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# Aramex continues to deliver solid revenue growth

## Revenues (AED m) →

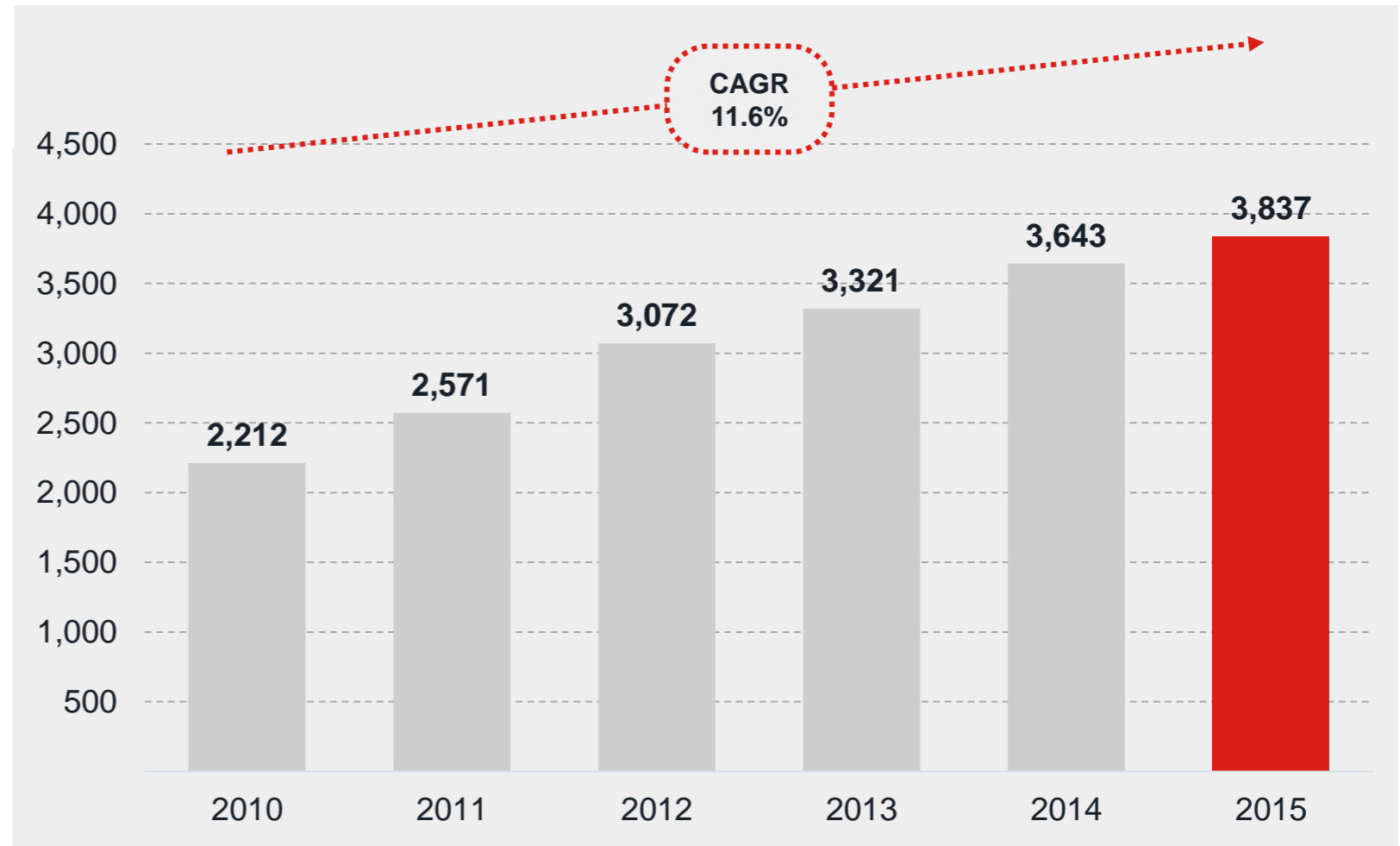
### Revenue generation

Despite market volatility, low oil price and regional instability, very solid revenue growth of 5.3% for 2015

Growth primarily in international and domestic express as well as in Middle East & Africa

### Currencies

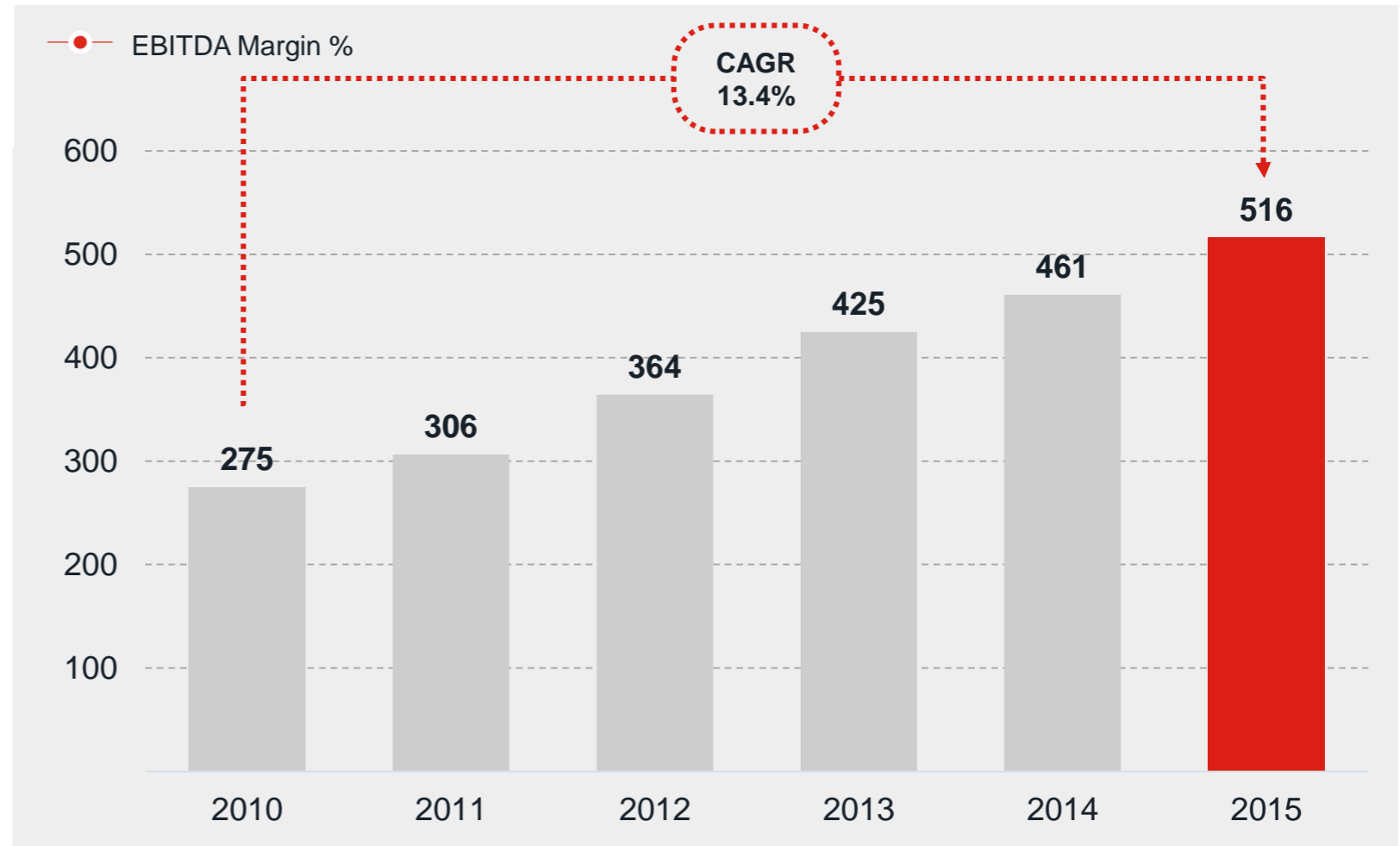
FX fluctuations adversely impacted  
FY 2015 revenues by 4.4%



# Strong underlying result across the business

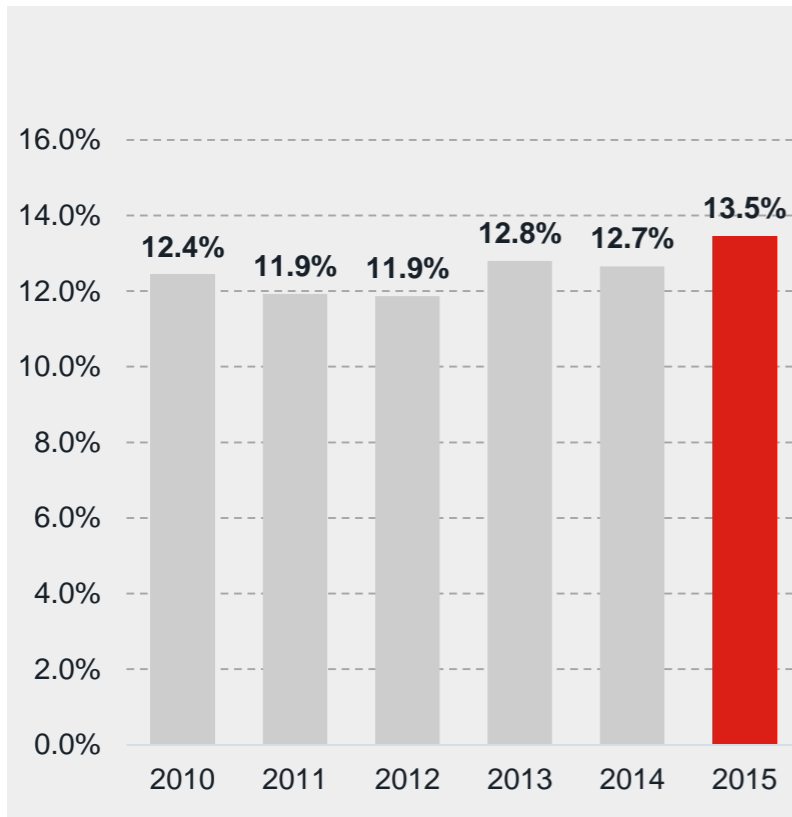
EBITDA before special items (AED m) →

EBITDA before special items:  
Aramex generated strong underlying result  
across the business

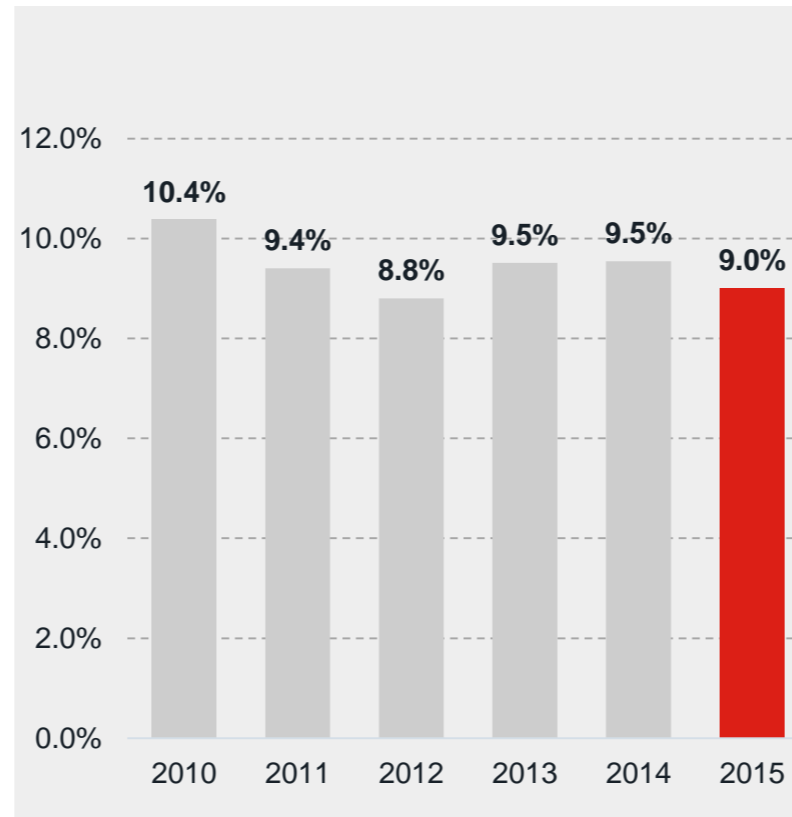


# Aramex maintains performance across key indicators

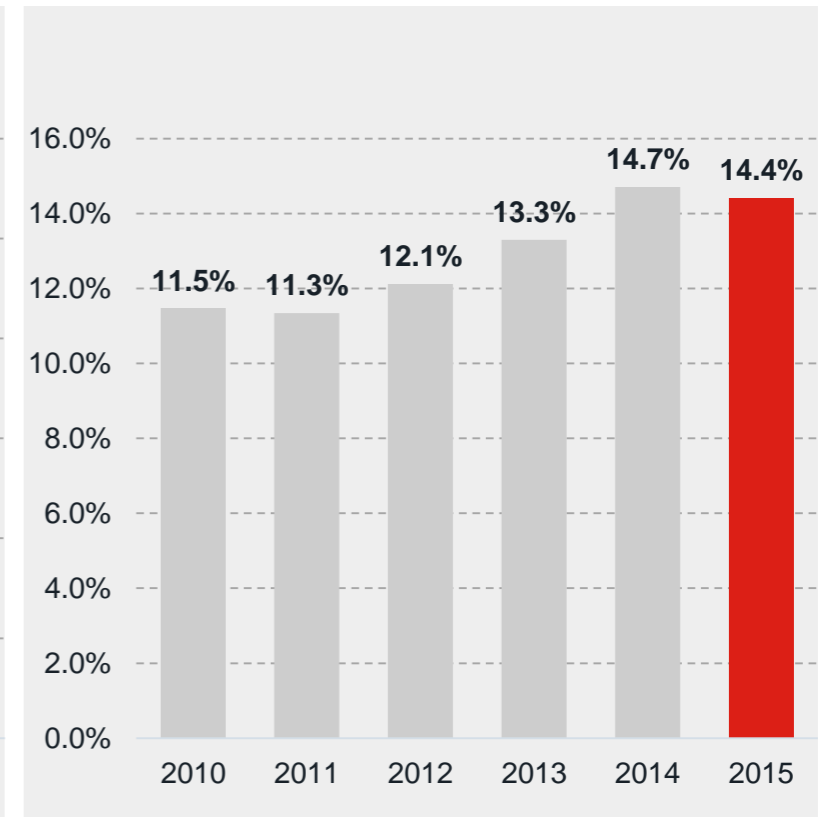
EBITDA margin before special items (%) →



Net Profit Margin (%) →

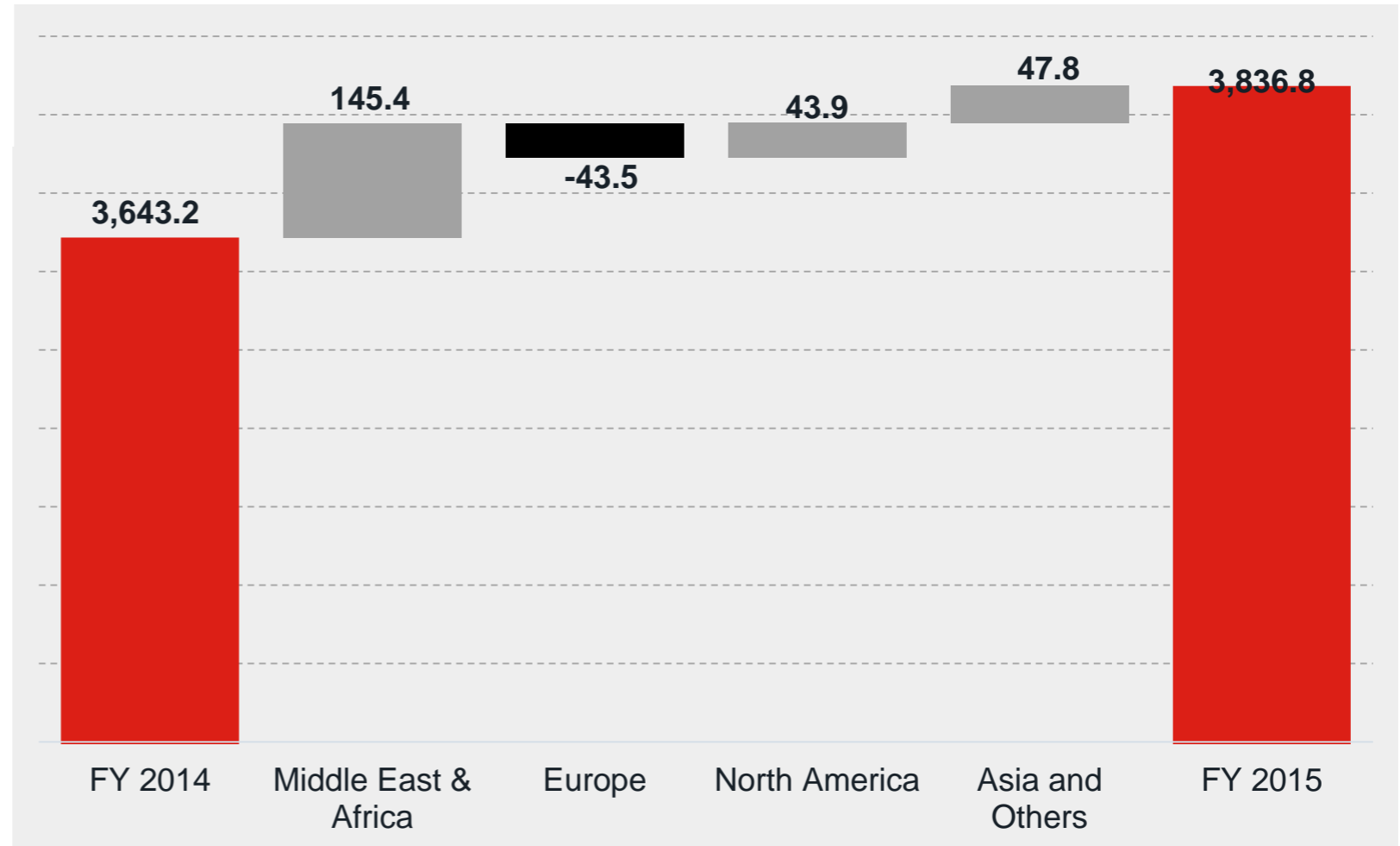
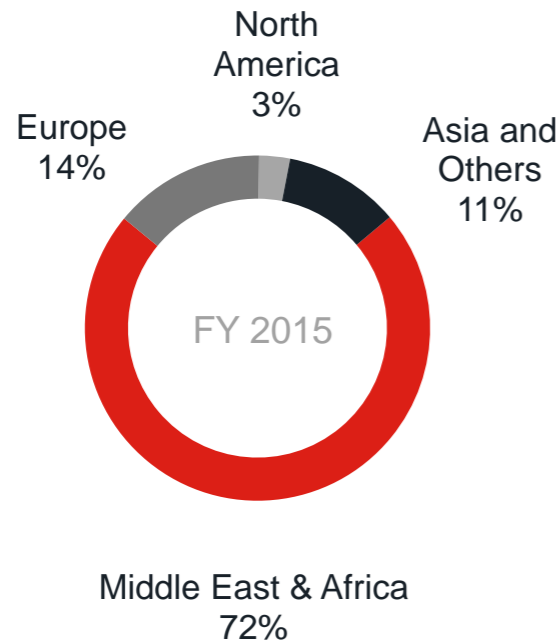


Return on Equity (%) →



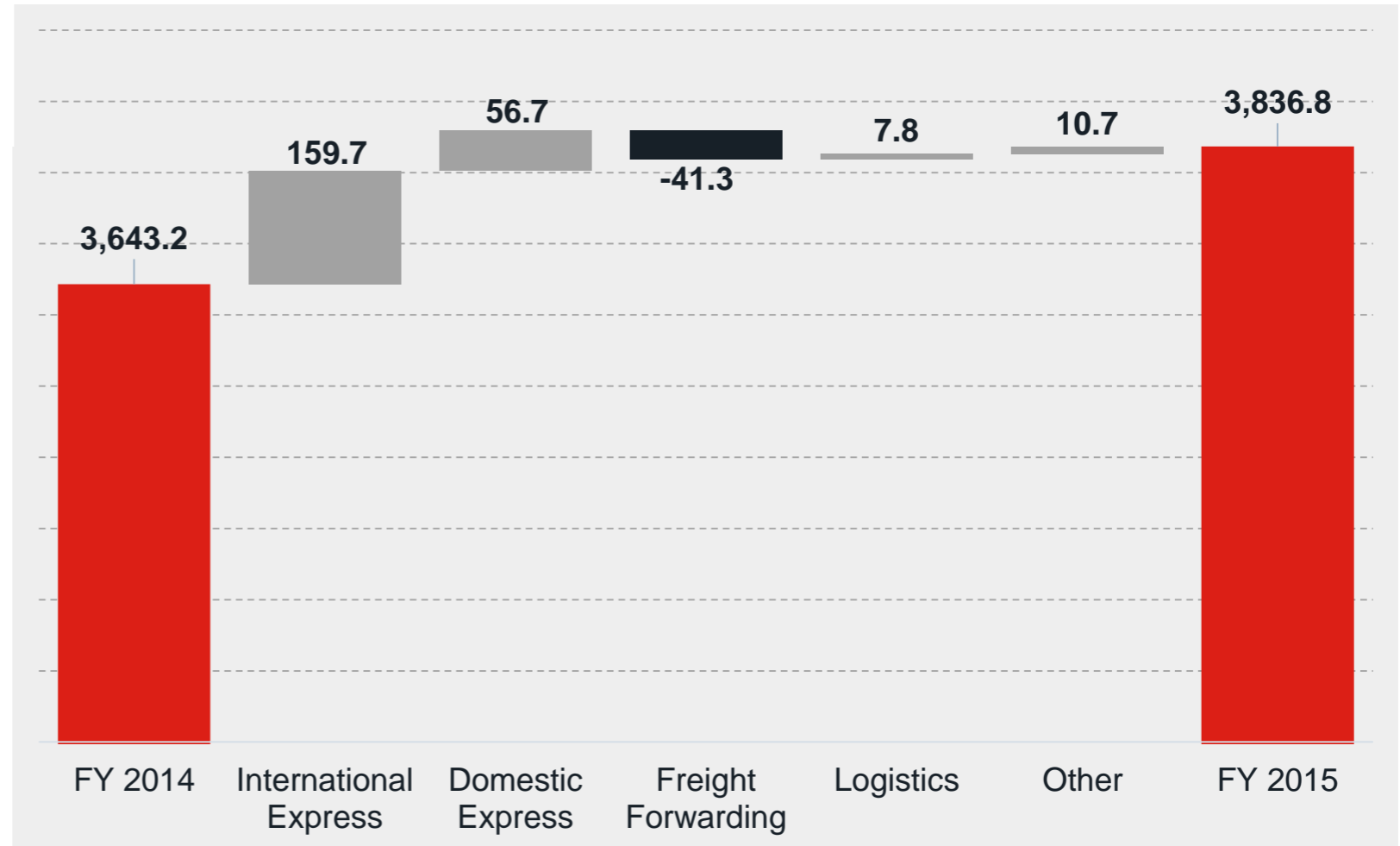
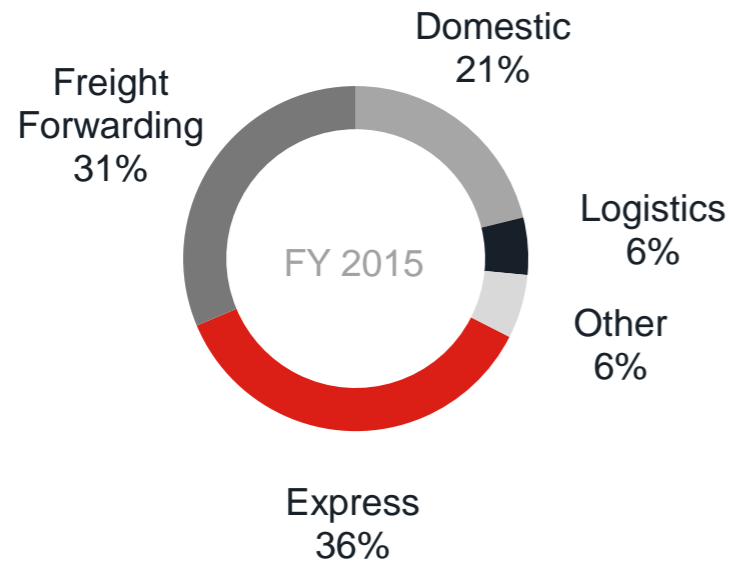
# Growth momentum across geographies in 2015

Revenues by Geography (AED) →



# Growth momentum in core business segments

Revenues by segment (AED m) →

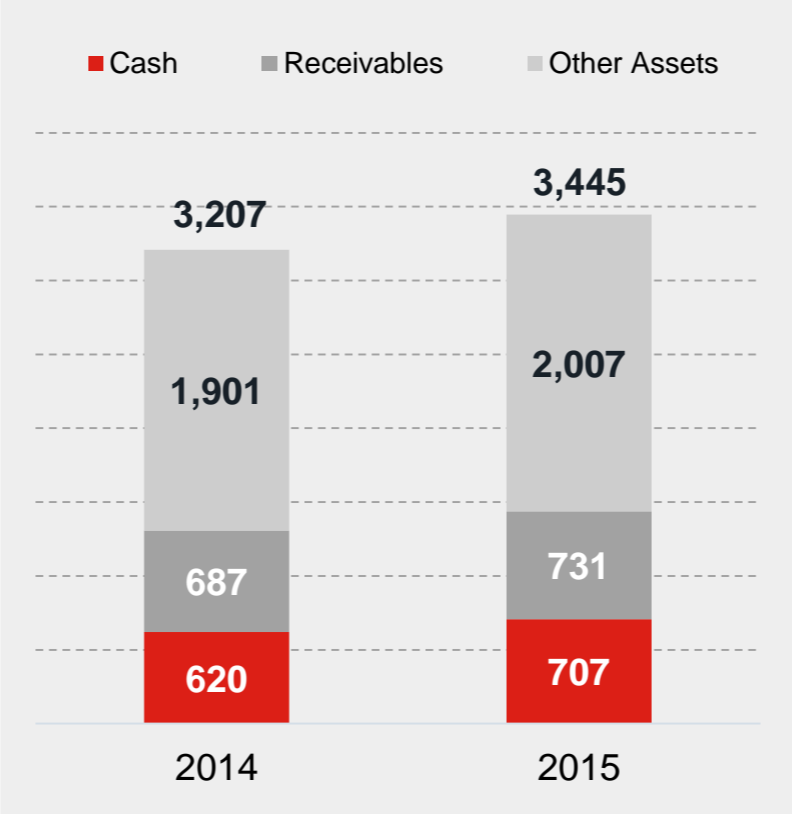


# Aramex balance sheet remains strong and liquid

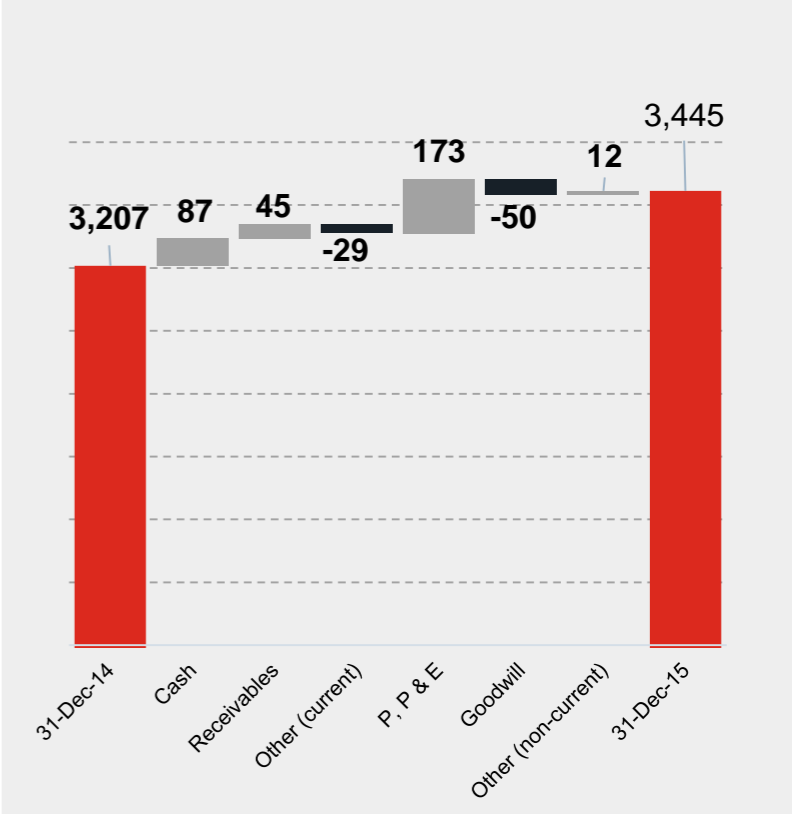
2015 Highlights →

- Total balance sheet grew by 7.4%
- Total assets increased by AED 238 m
- Cash up by AED 87.3 m; 20.5% of total assets
- Receivables up AED 44.6 m, 21.2% of total assets
- PPE increased AED 173 m
- Goodwill impairment of AED 50

Total Assets (AED m) →



Asset Movement Y-o-Y (AED m) →





# Aramex increased debt but maintains low leverage

2015 Highlights →

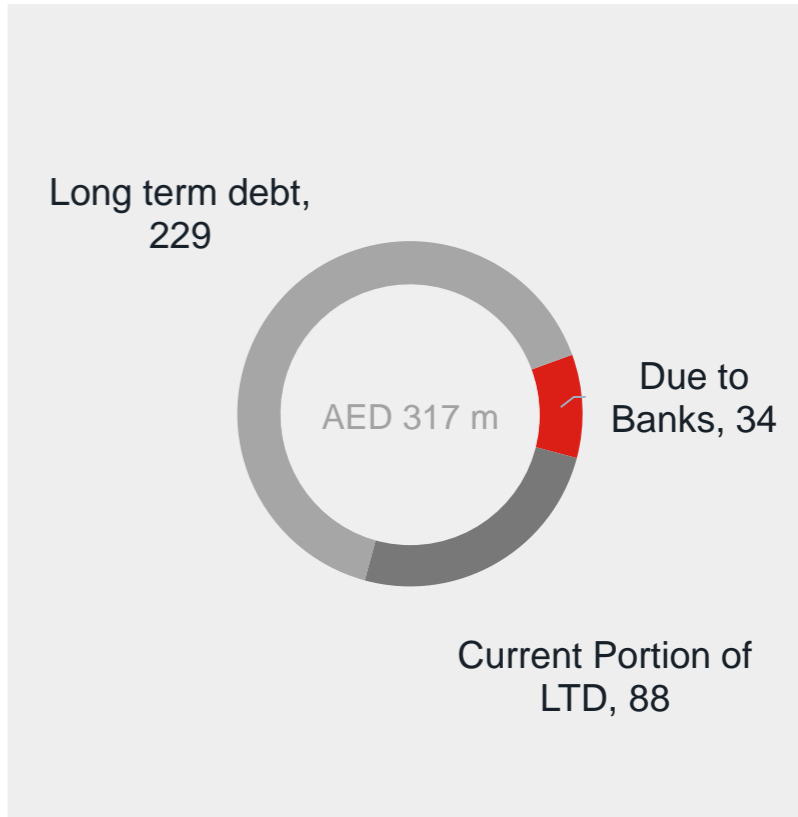
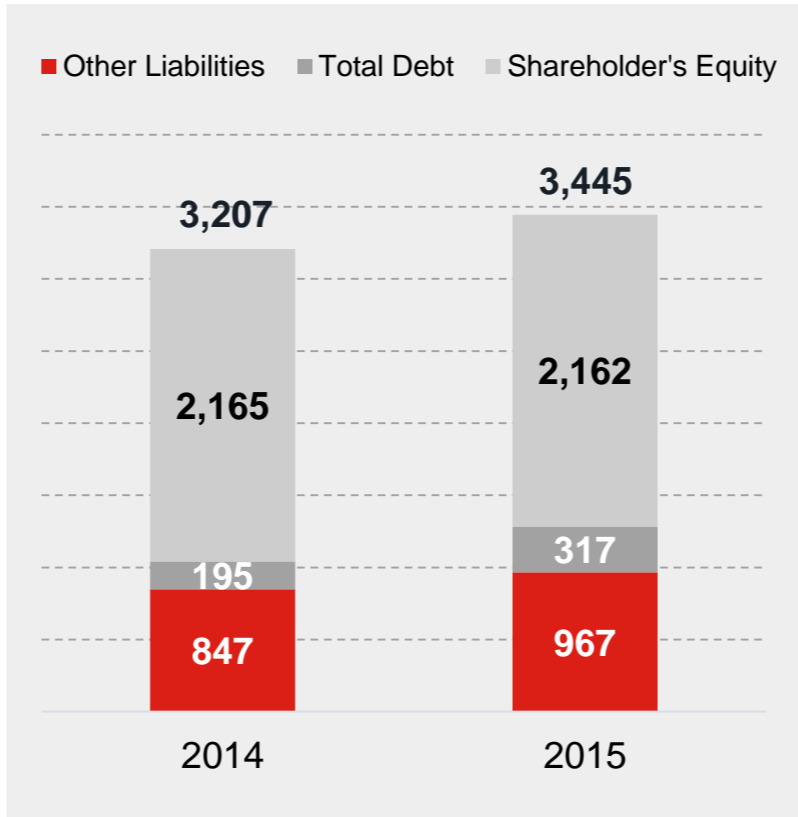
Total Liabilities (AED m) →

Total Debt Breakdown (AED m) →

Total liabilities are up AED 131 m

Increase mainly a result of increased long term debt to fund acquisitions and other liabilities

Total debt\* is up 63% to AED 317 m



\*Due to banks, long term debt, current portion of LTD

# Long-term Performance



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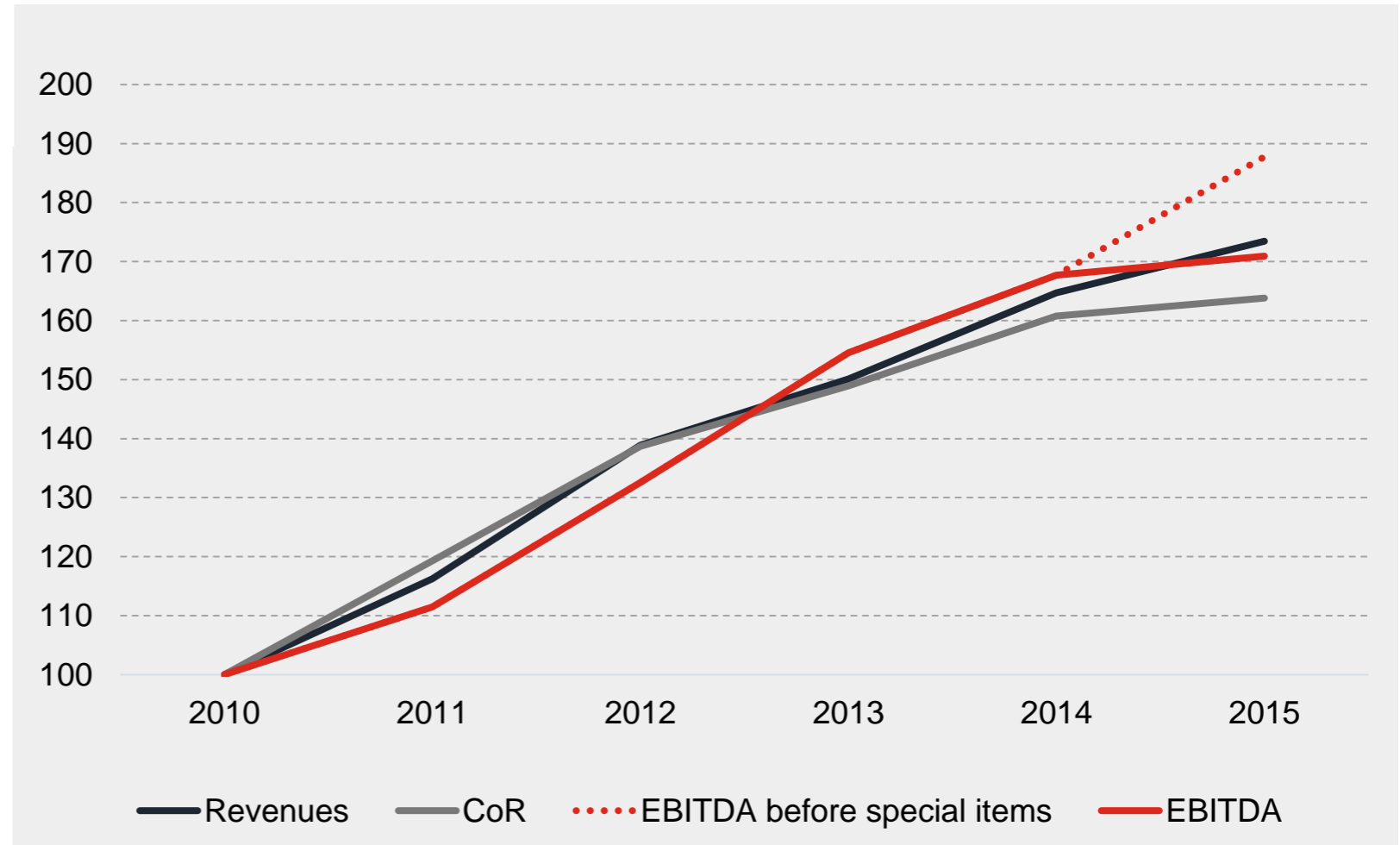
# Aramex has a track record of delivering operational excellence

Aramex 2010-2015 (Indexed) →

We delivered a consistently strong performance since 2010

2010-2015 CAGR

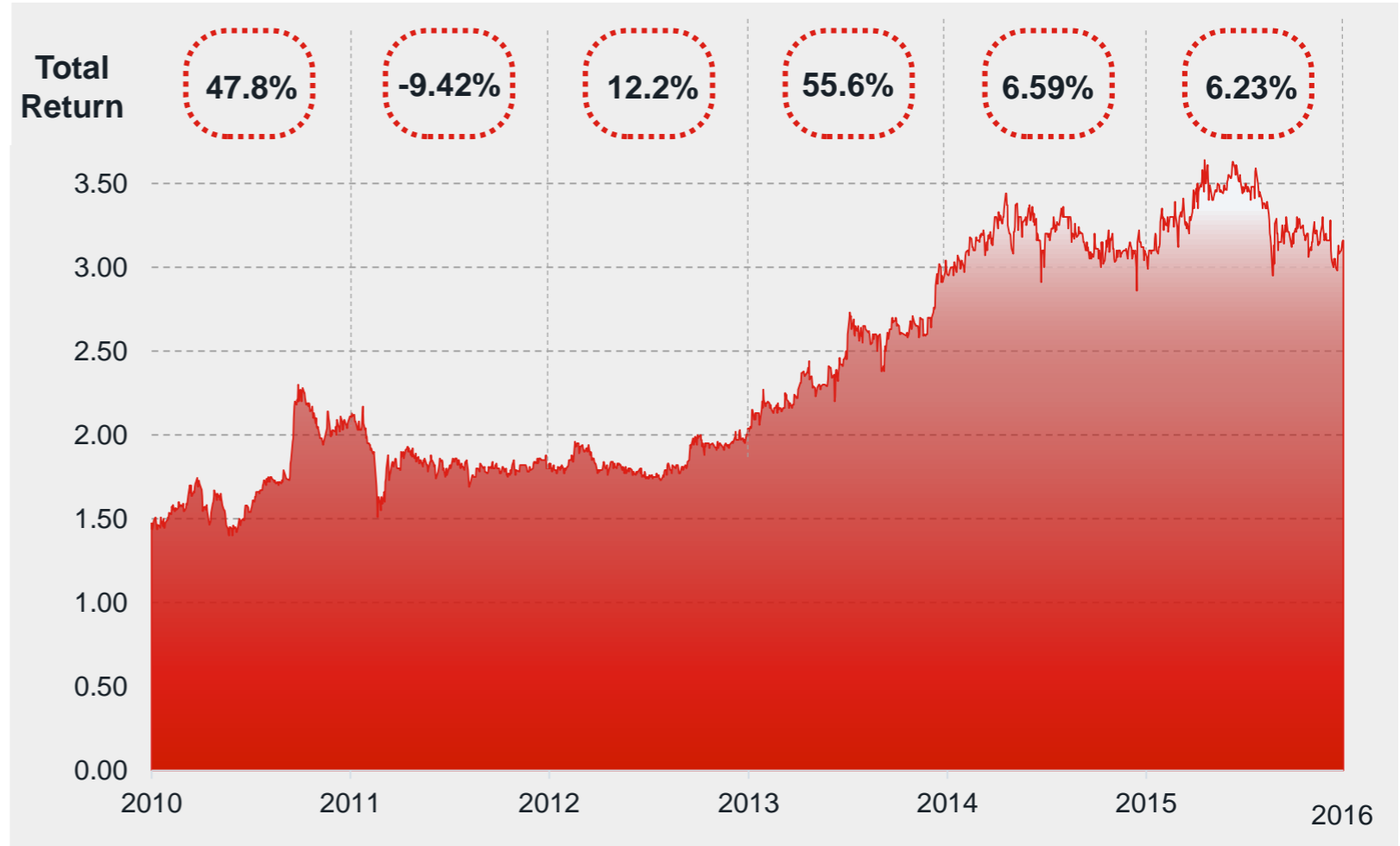
|                              |       |
|------------------------------|-------|
| Revenues                     | 11.6% |
| Cost of Revenues             | 10.4% |
| EBITDA:                      | 11.3% |
| EBITDA before special items: | 13.4% |



# Aramex shareholders rewarded by long term performance

Performance (Jan 2010-Dec 2015) →

|  |        |
|--|--------|
| Share Price Change:                                | 118.6% |
| Annualized return:                                 | 13.9%  |
| Total Return<br>(dividends reinvested):            | 180.4% |
| Annualized Total Return:<br>(dividends reinvested) | 18.7%  |

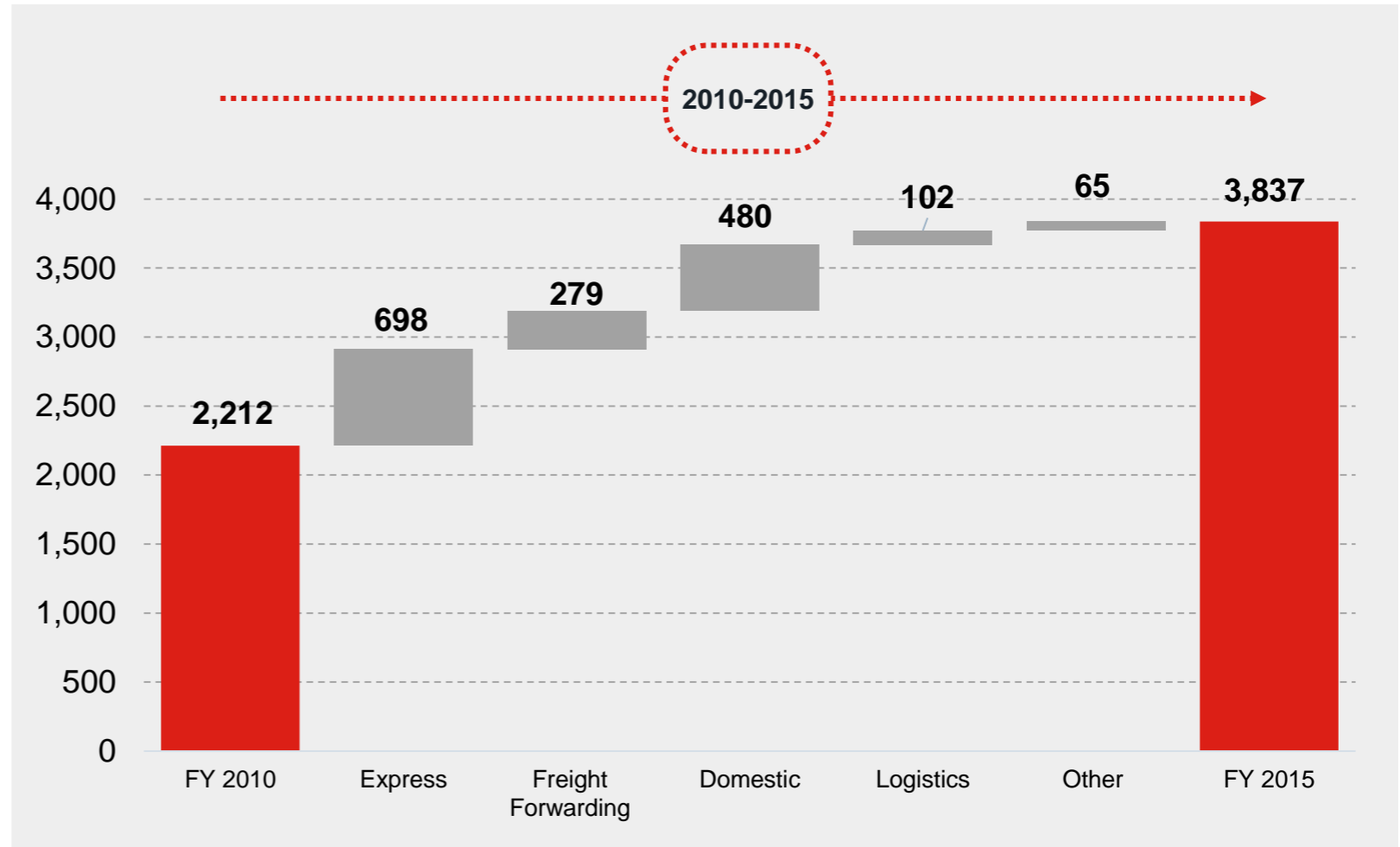


# Components of Aramex's growth story

Contribution by Business (AED m) →

Growth story since 2010

|                         |       |
|-------------------------|-------|
| CAGR Express            | 15.0% |
| CAGR Freight Forwarding | 5.4%  |
| CAGR Domestic           | 19.6% |
| CAGR Logistics          | 14.7% |
| CAGR Other              | 7.0%  |



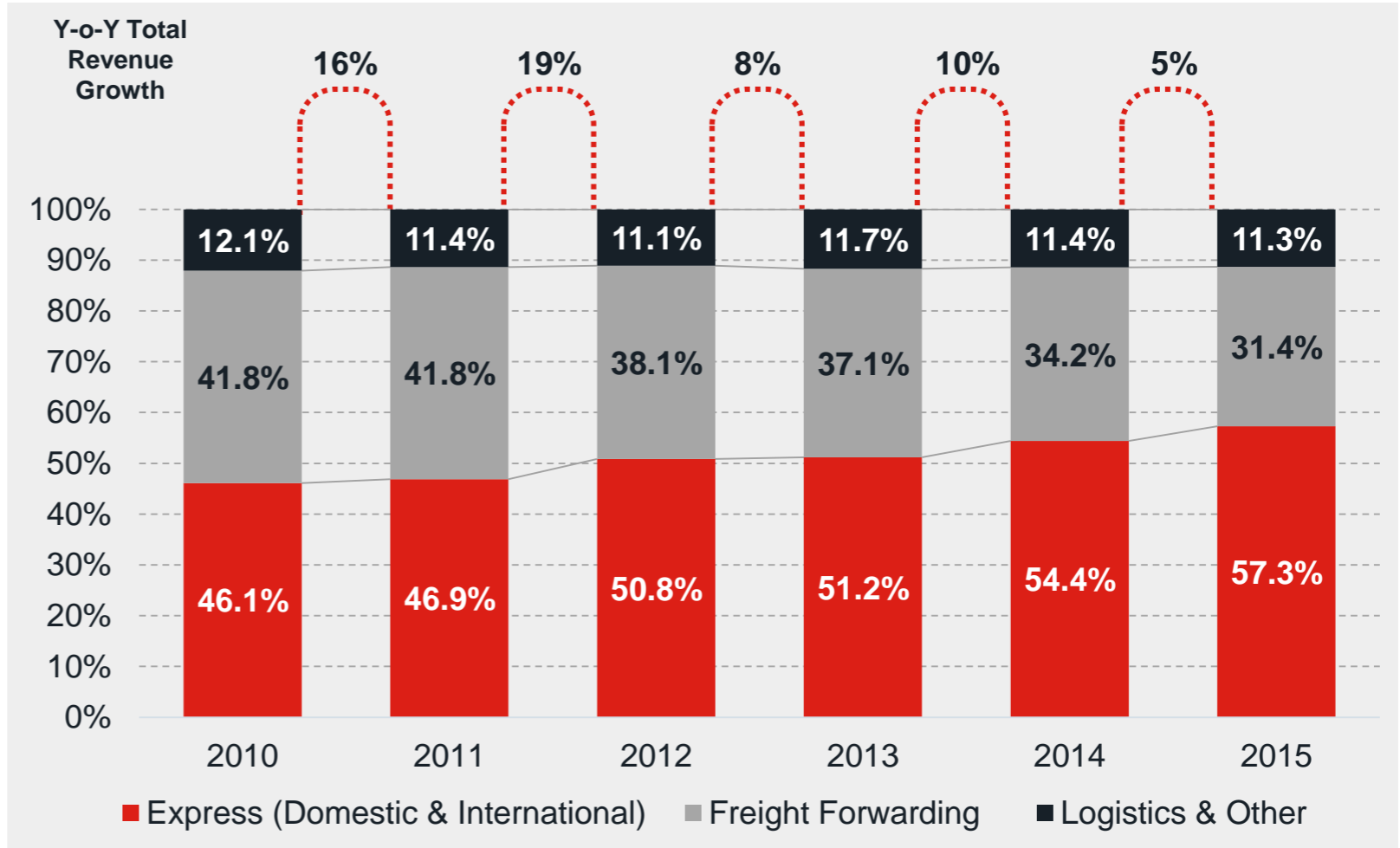
# Express business is outgrowing freight forwarding

**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

Combined domestic and international Express contribution +11.2% of revenues since 2010

Freight forwarding has consistently declined by -10.4% of total revenues since 2010

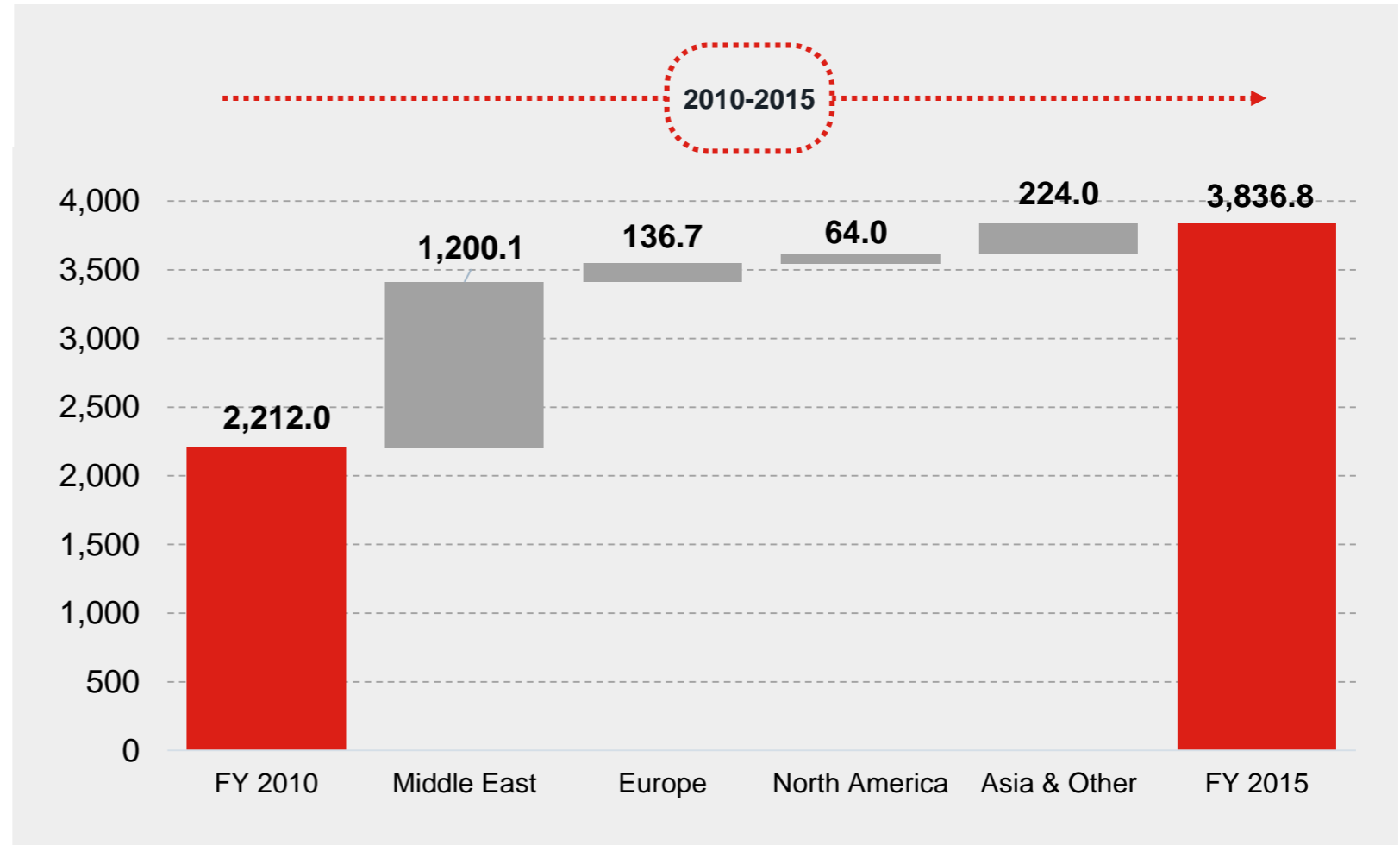


# Defending and developing our market position in growth markets

## Contribution by Geography (AED m)

### Growth story since 2010

|                    |       |
|--------------------|-------|
| CAGR Middle East   | 12.1% |
| CAGR Europe        | 5.9%  |
| CAGR North America | 18.8% |
| CAGR Asia & Other  | 16.7% |



# Aramex balance sheet Evolution

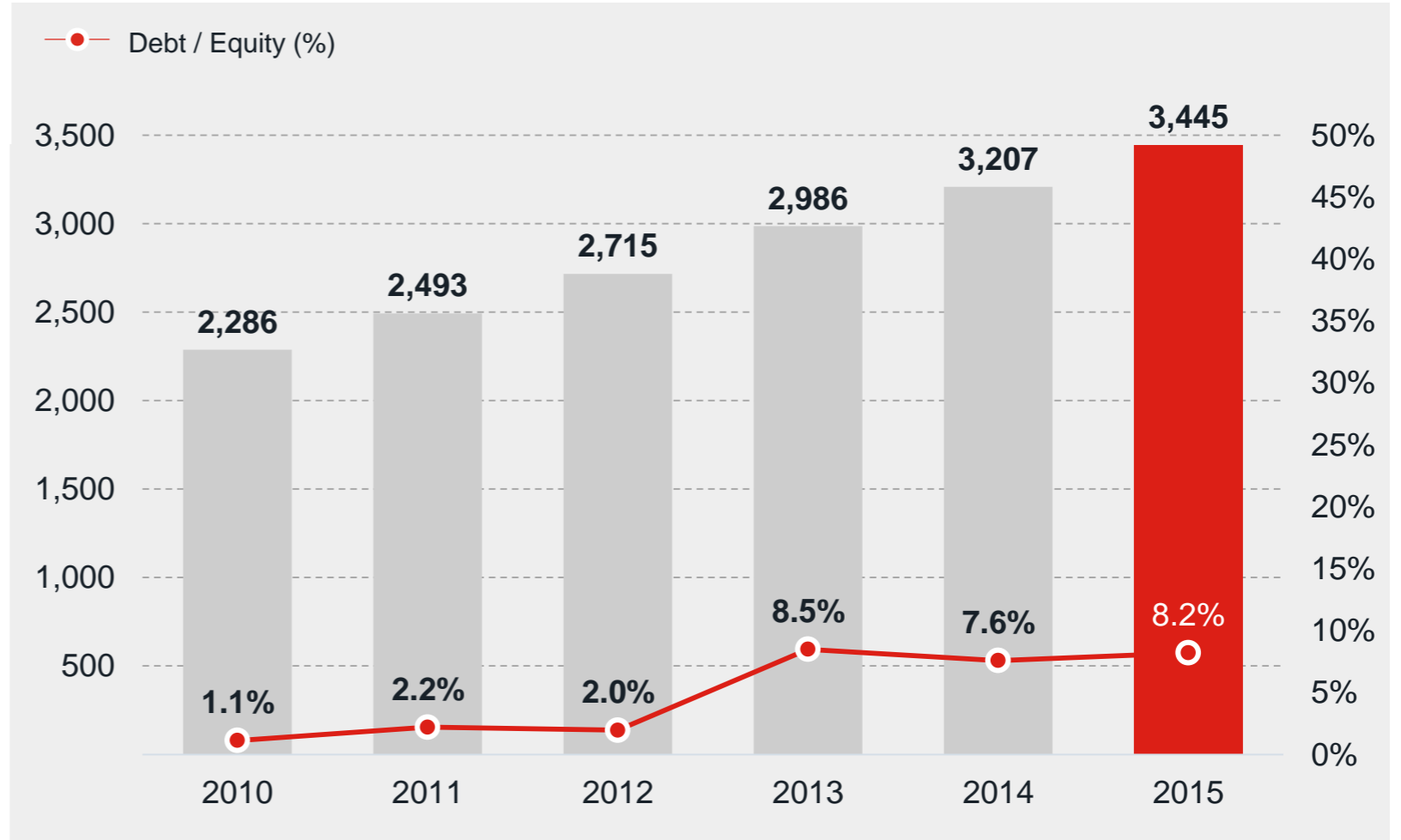
**Total Asset (AED m)** →

Aramex consistently grows its balance sheet

We maintain a prudent approach towards managing our debt

Debt\*/ Equity low at 8.2%

Debt / EBITDA: 67%



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



# Outlook & Guidance

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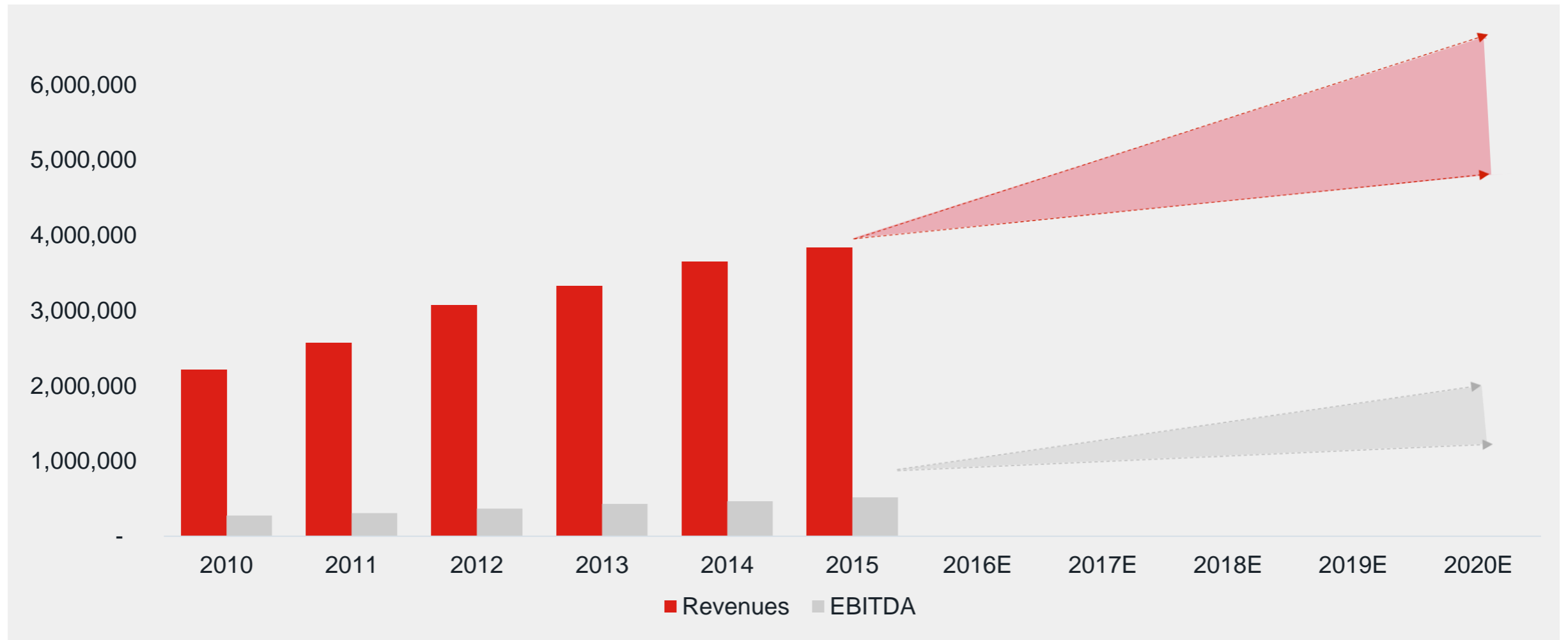
# The Way Forward: Management Priorities

| 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           | ↗ 7.5%      | AED 811 m   | Double-digit growth   |
| Logistics          | ↗ 3.9%      | AED 205 m   | Slight increase       |
| Other              | ↗ 4.9%      | AED 229 m   | Slight increase       |
| Total              | ↗ 5.3%      | AED 3,837 m | Considerable increase |

# Long Term Ambition Level – Projected Roadmap to 2020



# Investor Relations Contacts



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