

aramex

INVESTOR PRESENTATION

Q1 2024 Financial Results



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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.

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1. Aramex at a Glance
2. Key Highlights of Q1 2024
3. Q1 2024 Product Breakdown
4. Q1 2024 Group Financial Results

16,000+

Employees



70

Countries

600+

Offices

USD 419.5M

Revenues Q1 2024

USD 969M

Market Cap on 31 March 2024



International Express

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



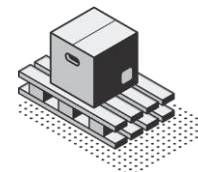
Freight Forwarding

Whether by sea, air or land, Aramex Freight provides the expertise for seamless and streamlined operations.



Domestic Express

We understand that delivering from one side of the country to another requires efficiency and reliability of global standards and local operations and we continually strive for excellence.



Logistics & Warehousing

As a global logistics and transportation solutions provider, Aramex will help simplify customers' operations with cost effective and comprehensive solutions.

Regions | Aramex Global Footprint

NORTH AMERICA

United States of America
Canada

EU
Czech Republic
Ireland
Netherlands
United Kingdom

MENAT

Algeria
Egypt
Georgia
Iraq
Jordan
Lebanon
Libya
Morocco
Palestine
Sudan
Tunisia
Turkey

SUB-SAHARAN AFRICA

Ghana
Kenya
Nigeria
Tanzania
Uganda
South Africa

GCC

Bahrain
Kuwait
Oman
Qatar
Saudi Arabia
United Arab Emirates

SOUTH ASIA

Bangladesh
India
Indonesia
Malaysia
Singapore
Sri Lanka
Thailand

NORTH ASIA

China
Hong Kong

OCEANIA

Australia
New Zealand

Business Highlights | Product Dynamics Summary



International express

- Macroeconomics and geopolitics impact consumer spending
- Focus on key international trade lanes (US and Europe) into our home markets as well as intra regional with a particular focus on MENAT, GCC, South Asia and Oceania.
- Increase the focus on direct customers, SMEs, and B2B business as well as high margin verticals.
- Grow new products such as premium services for international express.
- Further expansion of MyUs and SnS business which comes at high margins.



Domestic express

- Focus on gaining market share while leveraging existing infrastructure. Continue investing in automation and technology for operational efficiency.
- Turnaround strategy in Oceania which is a key contributor to our domestic express product.
- High competition in home markets, leading to a commoditized last mile business, while entry of new players leads to further price erosion.
- Infrastructure, technology and operational excellence underpinned by sustainable operations are key competitive differentiators.



Logistics

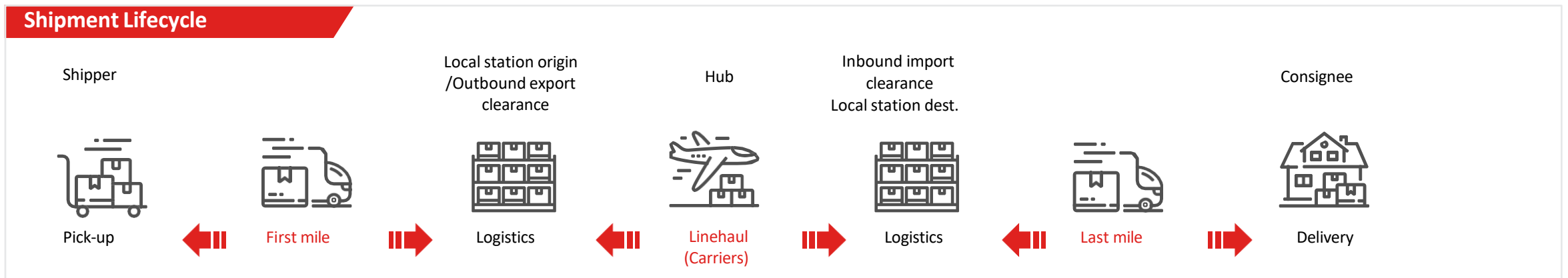
- Logistics will grow in line with warehouse utilization and sqm expansion, currently at approximately 800,000 across owned, leased and managed.
- Focus on quality revenue and specialism in strategic verticals such as retail, industrials, pharma across our core markets.
- Leverage logistics strategically, by continuing to offer customers an integrated solution that covers the whole supply chain elements.



Freight

- Global rates in shipping and freight forwarding continue to fluctuate significantly, hence our focus on product profitability.
- Significant opportunity for growth in a highly fragmented market. Focus sales efforts on key global trade lanes into the GCC, MENAT and Africa and our strategic verticals.
- Deep specialization in strategic verticals from a sales and operational perspective.

Shipment Lifecycle





Four well-defined business products offer scale, diversification and an end-to-end service offering for customers, underpinned by a 40-year track record of successful operations.

aramex
express

aramex
LOGISTICS

aramex
DOMESTIC

aramex
FREIGHT

~67% of Revenue

~33% of Revenue*



Product diversification

A leading transportation player, with domestic and cross border expertise, as well as freight services across air, land and sea. Our Logistics business is leveraged strategically across our infrastructure to increase customer stickiness through supply chain services and 800k sqm in facilities across key markets in the Middle East and Africa.



Competitive advantage

Our end-to-end service offering - across courier express, freight, warehousing and supply chain - is a distinct competitive advantage and a unique capability in many of our key markets. This integrated approach is valuable for our clients and is allowing them to benefit from our total transportation offering across all sectors.



Growth prospects

Well -positioned to capture growth at a higher rate than the market, through expansion of trade lanes, and exposure to high growth verticals in emerging markets with solid GDP projections, where we have the right capabilities to win.



Unlocking value

Operational efficiency and investments in state-of-the-art technologies are unlocking value and are a key profitability driver. Enhancements of our digital systems, automation and AI driven business decisions are fully integrated in our business strategy.



Strategic shareholders

Strategic shareholders provide opportunities. Aramex has two strategic shareholders, Geopost / DPD and Abu Dhabi Ports that provide partnership opportunities for all product lines.



Inorganic growth

The under-gearred balance sheet is a source of value. In an industry where economies of scale are important, value accretive acquisitions will be transformational for Aramex and the source of significant earnings accretion.

*Approximately 1% of global revenues are from Other activities

An aerial photograph of a desert landscape, likely in the Middle East, showing a winding road and a red Aramex truck. The terrain is a mix of orange-brown earth and sparse vegetation. The Aramex logo is visible on the side of the truck.

aramex

IN THE MIDDLE EAST OF IT ALL

AN ARAMEX DOCUMENTARY | 40 YEARS OF OPERATIONS

Click [here](#) to watch the video.

Q1 2024 Key Highlights



Q1 2024 | Key Highlights

\$420mn

+8%

YoY

Revenue

\$83mn

+4%

YoY

SG&A

25.7%

+70bps

YoY

Gross Profit %

\$13mn

+95%

YoY

Net Income

Aramex doubles Net Profit in Q1 2024 International Express Volumes are up 44% YoY setting another record quarter

- *Aramex saw solid revenue contribution from all products with Group Revenue growing by 8% year on year (YoY) in Q1 2024 attributed to new customer wins, seasonality and the company's increased focus on sales specialism.*
- *International Express and Domestic Express drove strong revenue growth, while Freight Forwarding showed resilience with a 3% increase amid global shipping challenges. Logistics and Warehousing maintained stable performance both in Revenue and Profitability, adeptly navigating the currency devaluation impact coming mostly from Egypt.*
- *The Company's dual focus on sales and operational efficiency translated into bottom-line success, evident in improved margins across Gross Profit, EBIT and EBITDA. In addition, Gross Profit increased by 10% YoY in Q1 2024, with a strong improvement in EBIT of 47% and increase in EBITDA of 18% YoY. These results reflect the Company's continuous investment in initiatives aimed at maximizing operational efficiency and optimizing costs.*
- *Aramex continues to be well-positioned with a strong cash position of USD 156mn and a Net Debt-to-EBITDA ratio of 0.8x excluding IFRS16. Management's focus on value creation delivers 40 basis points improvement in ROIC, currently standing at 5.2% for the trailing twelve months*

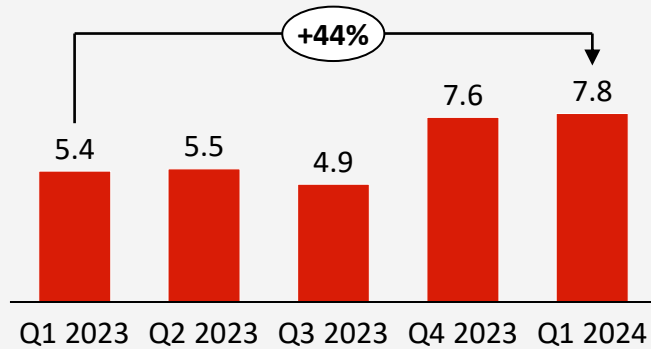
"We injected significant volumes into our network while maintaining high service levels. I am proud of my team's performance and commend the hard work of every Aramexian, for their dedication and capability to handle significant volume growth and heightened consumer activity, seamlessly delivering the level of service our customers value.

*Our ongoing investment in automation and operational optimization remains a core advantage and has ensured that our network is agile and responsive to our customer needs and market dynamics." - **Othman Aljeda, CEO***

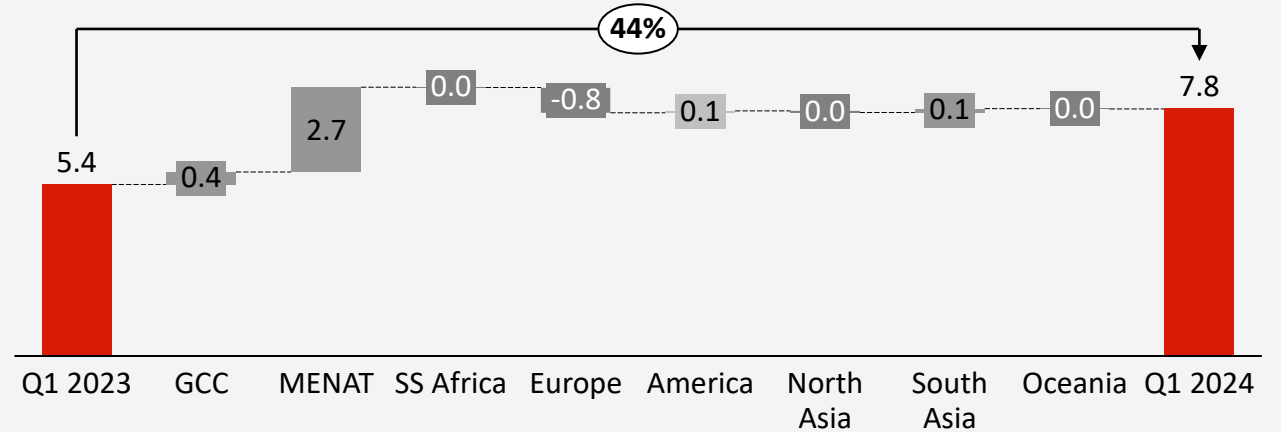


Product Breakdown

International Express Volumes (in million of shipments)



Geographic contributions to int'l express volumes in Q1 2024

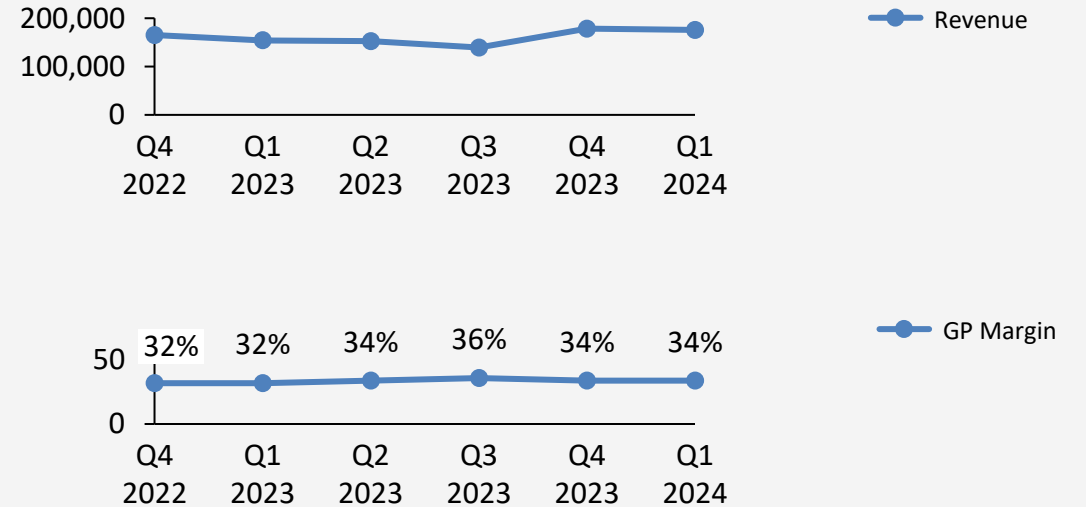


- International Express delivered 44% increase in shipment volumes in Q1 2024 YoY reaching 7.8 million shipments, setting a record for the highest quarterly volumes in the history of the Aramex. The quarter benefited from new customer wins and early Ramadan seasonality, with notable expansion driven by ecommerce and banking sectors.
- Aramex showcased remarkable agility in scaling up and managing a substantial surge in volume in Q1 2024, while maintaining delivery KPIs and a high level of service, thanks to the dedication and hard work of its people and the Company’s sustained investments in automation, operational efficiencies and technological adoption.
- We anticipate Q2 and Q3 2024 to continue to deliver volume growth YoY, albeit at a softer rate compared to the levels seen during the peak seasons in Q1 2024 and in Q4 2023 due to seasonality.

Quarter Financials (in USD thousands)

	Q1 2023	Q1 2024	Change
Revenue	154,272	175,844	14%
Total Direct Cost	104,227	116,168	11%
Gross Profit	50,045	59,676	19%
GP%	32%	34%	

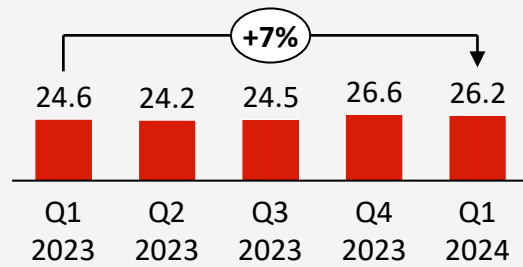
Revenue and GP Margin Evolution



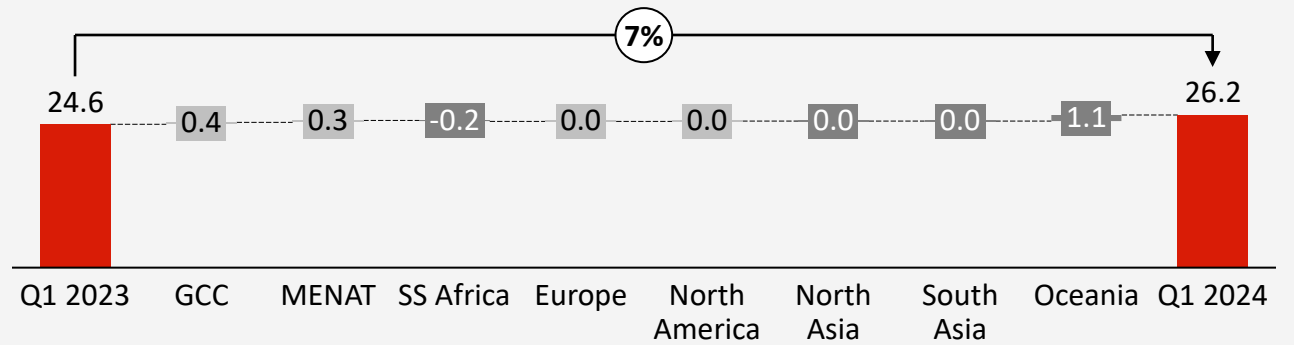
- 14% growth YoY in Q1 2024 Revenue driven by volume growth.
- With more efficient operations, and an infrastructure ready to accommodate more business, gross profit grew double digit, at a fast rate than revenue, and the GP margin improved two percentage points to 34%.

Quarterly Domestic Volumes (in million of shipments)

■ Group Domestic volumes



Geographic contributions to domestic volumes in Q1 2024



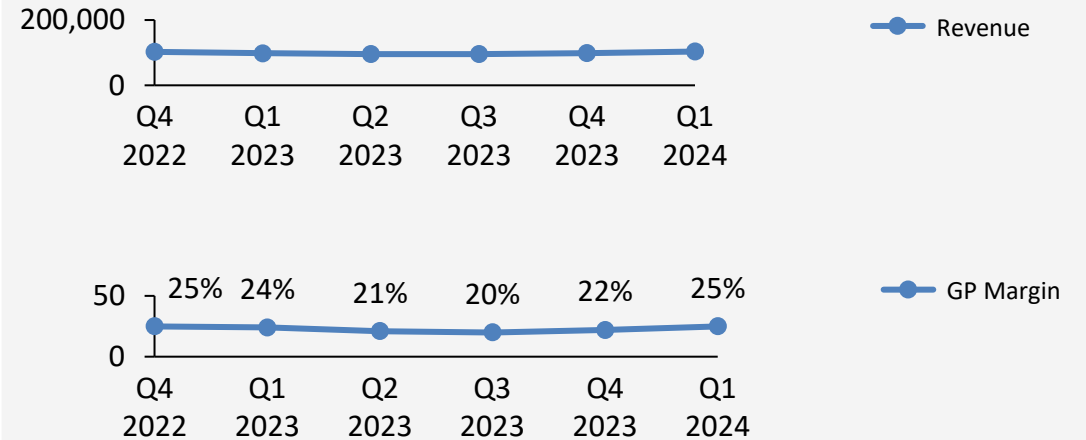
**Oceania restructuring plan is in place

- Domestic express delivered 7% growth in volumes in Q1 2024 compared to the same period last year; and delivered stable volumes compared to Q4 2023. Growth is coming from GCC, MENAT and Oceania.
- Our focus remains on increasing market share in key markets and recovering volumes in Oceania. E-commerce, B2B customers and SMEs will contribute to volume growth.

Quarter Financials (in USD thousands)

	Q1 2023	Q1 2024	Change	Excl. FX
Revenue	98,473	103,525	5%	9%
Total Direct Cost	74,611	77,714	4%	
Gross Profit	23,862	25,811	8%	
GP%	24%	25%		

Revenue and GP Margin Evolution



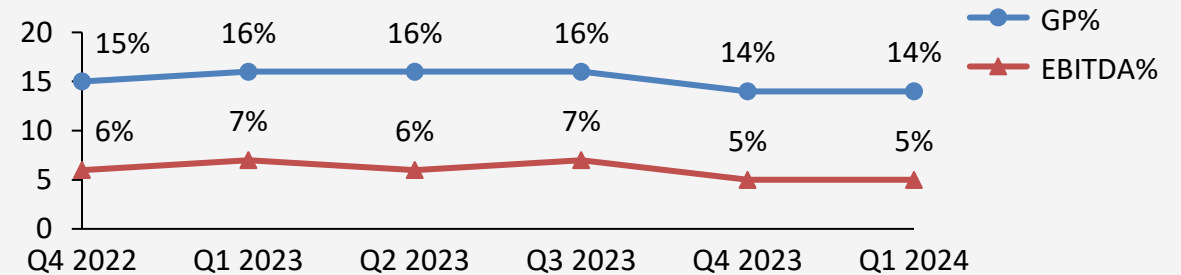
- Revenue for Q1 2024 increased 5% year-on-year over Q1 2023 and sequentially, over the previous quarter of Q4 2023. When excluding the impact of currency devaluation (mostly coming from Egypt), Revenue increased 9% in Q1 2024 YoY. Growth is driven by volumes, on the back of increased e-commerce activity intra region in the GCC and MENAT, as well as the turnaround strategy implemented in Oceania.
- The Gross Profit Margin increased to 25% in Q1 2024 compared to same period last year, showcasing the company's achievement in operational efficiencies, particularly in the 'last mile,' that enhanced courier productivity as well as the pick-and-drop network in key markets. In addition, the cost profile of domestic express benefitted from a lower allocation of fixed costs in Q1 2024 – higher volumes in international express lead to a higher allocation of fixed direct cost to the international express product. Both domestic express and international express products run on the same infrastructure.

Quarter Financials (in USD thousands)

	Q1 2023	Q4 2023	Q1 2024	Change (YoY)	Change (QoQ)
Revenue	104,948	104,535	108,517	3%	4%
Total Direct Cost	88,297	90,030	93,124	5%	3%
Gross Profit	16,651	14,505	15,393	(8%)	6%
GP%	16%	14%	14%		
EBIT	5,589	2,876	3,375	(40%)	17%
EBIT%	5%	3%	3%		
EBITDA	7,536	4,988	5,340	(29%)	7%
EBITDA%	7%	5%	5%		

- Double digit growth in volumes across air, sea and land freight compared to the same period last year coming from key lanes. Revenue was up 3% YoY in Q1 2024 compared to Q1 2023.
- The Company navigated the challenging market environment by focusing on driving revenue on key lanes as well enhancing operational efficiencies. The Company improved financial performance across all key indicators in Q1 2024 compared to Q4 2023 delivering growth quarter on quarter.

Freight Margins and Volumes



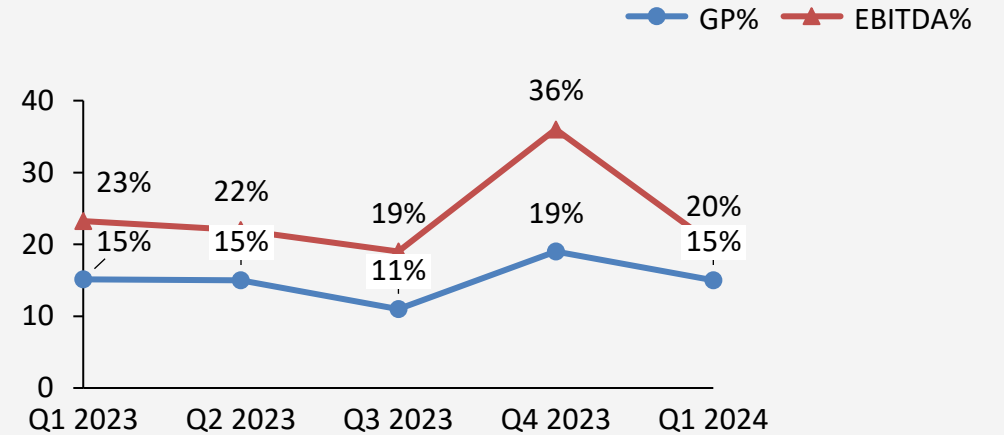
	Q1 2023	Q1 2024	Change
Air Freight Kgs	11,158,986	12,422,682	11%
Land Freight (FTL)	6,829	7,893	16%
*Land Freight (LTL KGs)	36,357,056	48,960,168	35%
Sea Freight (FCL TEU)	7,004	7,822	12%
Sea Freight (LCL CMB)	6,072	12,155	100%

**As a reminder, from July 2023 onwards, heavy land shipment business in Ireland and UK was reclassified internally from domestic to freight business from July 2023 onwards, impacting the performance of the domestic express and freight forwarding products (LTL land freight).*

Quarter Financials (in USD thousands)

	Q1 2023	Q1 2024	Change	Excl. FX
Revenue	29,147	29,027	(0%)	1%
Total Direct Cost	24,735	24,580	(1%)	
Gross Profit	4,412	4,447	1%	
GP%	15%	15%		
EBIT	585	(354)	(161%)	
EBIT%	2%	(1%)		
EBITDA	6,777	5,891	(13%)	
EBITDA%	23%	20%		

Logistics Margins



- Logistics reported stable revenues, despite significant foreign exchange translation impact over recent quarters. The focus moving forward will continue to be on product rebalancing.
- Gross Profit was relatively stable, up 1% compared to Q1 2023, aligning with Revenue performance. The GP and EBITDA margins remained resilient at 15% and 20% respectively, showcasing the segment's ability to maintain consistency amidst challenging market conditions. EBIT is in negative territory due to substantial exchange losses in Egypt.
- As a reminder, Logistics benefitted from a one-off settlement in Q4 2023 which added a further boost to the profitability of this product during Q4 2023, reflected in GP and margins.

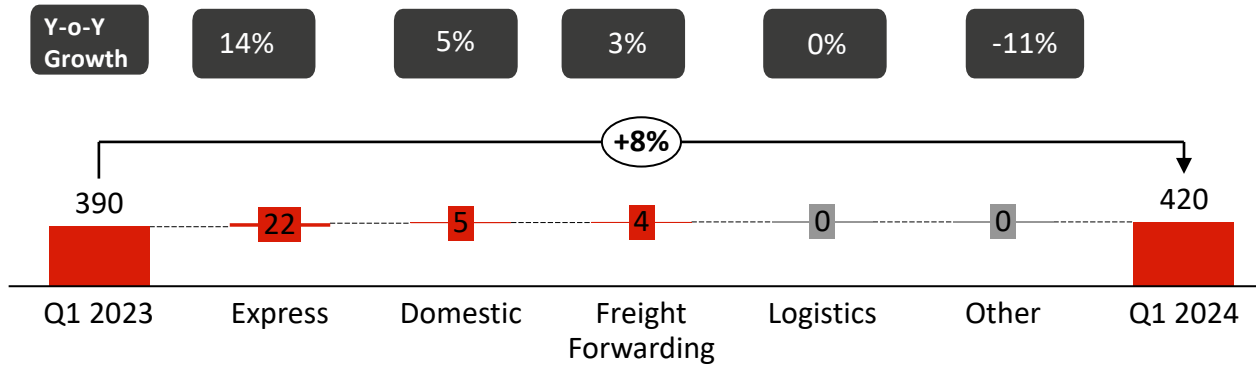


Group Financial Results

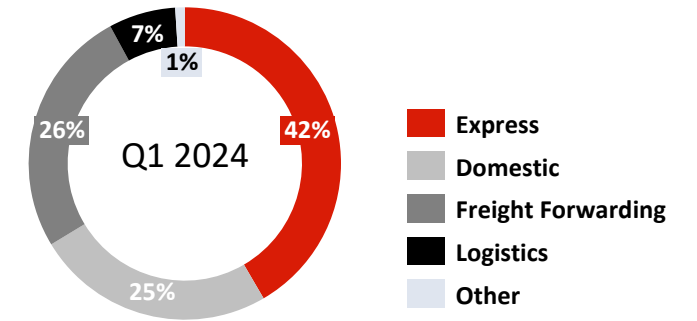


Q1 2024 vs Q1 2023 (in USD million)

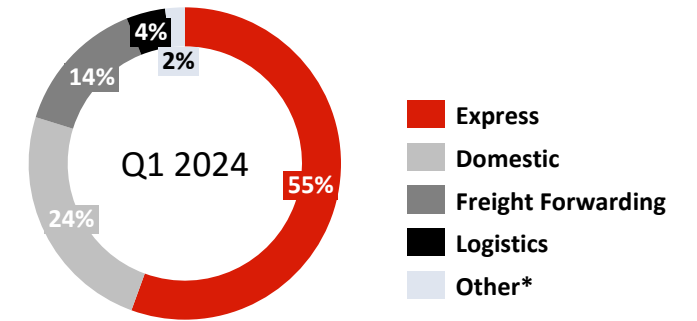
REVENUE



Contribution to Group (in % of total)



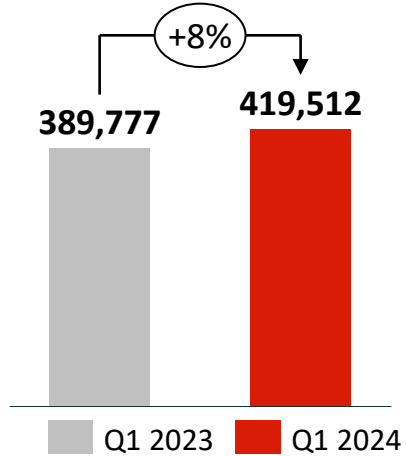
GROSS PROFIT



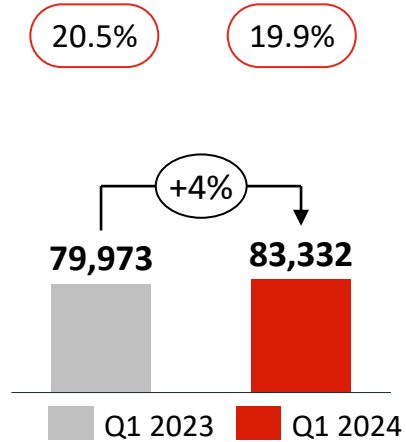
X% Represents Margin in % of Revenue

Financial & Performance Highlights | Group Highlights Q1 2024

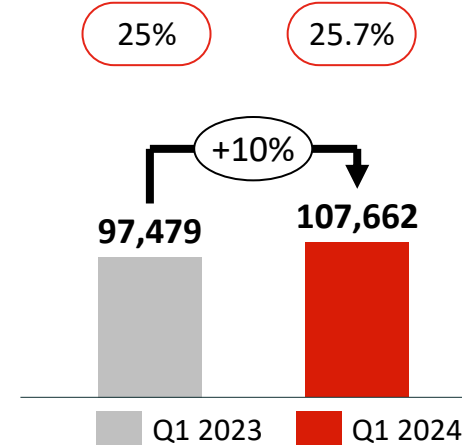
Revenue (USD 000)



SG&A (USD 000)

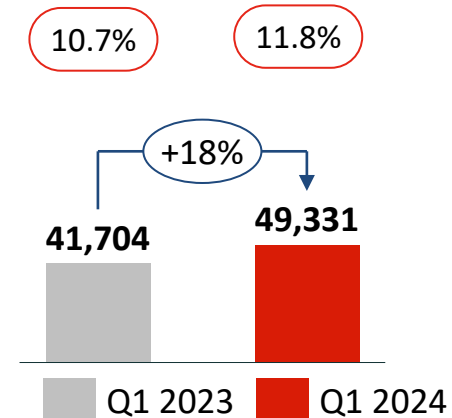


Gross Profit (USD 000)

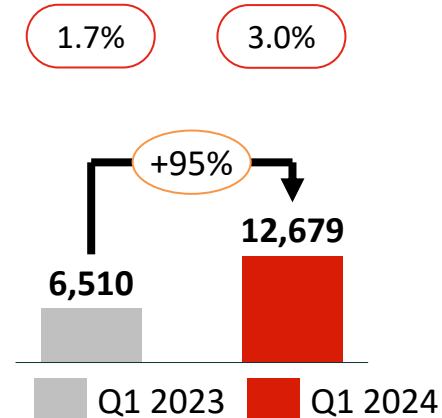


- Aramex saw solid revenue contribution from all products with Group Revenue growing by 8% year on year (YoY) in Q1 2024 attributed to new customer wins, seasonality and the company's increased focus on sales specialism.
- Effective management of the Group's Selling, General, and Administrative Expenses (SG&A) saw a modest 4% YoY increase in Q1 this year, primarily attributed to increased selling expenses, as well as annual employee compensation adjustments. Cost management continues to be a priority area for the management.
- The Company's dual focus on sales and operational efficiency translated into bottom-line success, evident in improved profits and margins.
- Q1 2024 EBITDA increased significantly, reflecting the Company's continuous investment in initiatives aimed at maximizing operational efficiency and optimizing costs. Consequently, EBITDA is up 18% YoY in Q1 2024 compared to Q1 2023 and the EBITDA margin improved 110-bps to 11.8%.
- Net profit almost doubled YoY reaching USD 13 million in Q1 2024, marking two consecutive quarters of strong performance.

EBITDA (USD 000)



Net Income (USD 000)



(X%) Represents Margin in % of Revenue

Regions (in thousands USD)

GCC		
Rev Ctrb to Group		39%
Rev & Grth	162,813	7%
GP & Grth	45,179	22%
Volumes	10,357,613	7%

MENAT		
Rev Ctrb to Group		18%
Rev & Grth	76,373	61%
GP & Grth	18,472	37%
Volumes	7,894,621	62%

Europe		
Rev Ctrb to Group		11%
Rev & Grth	46,353	(13%)
GP & Grth	6,861	(5%)
Volumes	828,552	(49%)

America		
Rev Ctrb to Group		9%
Rev & Grth	36,137	(13%)
GP & Grth	9,586	(29%)
Volumes	1,270,053	6%

SS Africa		
Rev Ctrb to Group		4%
Rev & Grth	16,949	(26%)
GP & Grth	5,631	(21%)
Volumes	1,249,727	(12%)

North Asia		
Rev Ctrb to Group		2%
Rev & Grth	8,923	(9%)
GP & Grth	2,280	(8%)
Volumes	165,781	(20%)

South Asia		
Rev Ctrb to Group		7%
Rev & Grth	29,113	9%
GP & Grth	5,147	(7%)
Volumes	1,106,078	11%

Oceania		
Rev Ctrb to Group		10%
Rev & Grth	41,624	22%
GP & Grth	6,807	(2%)
Volumes	11,123,759	10%

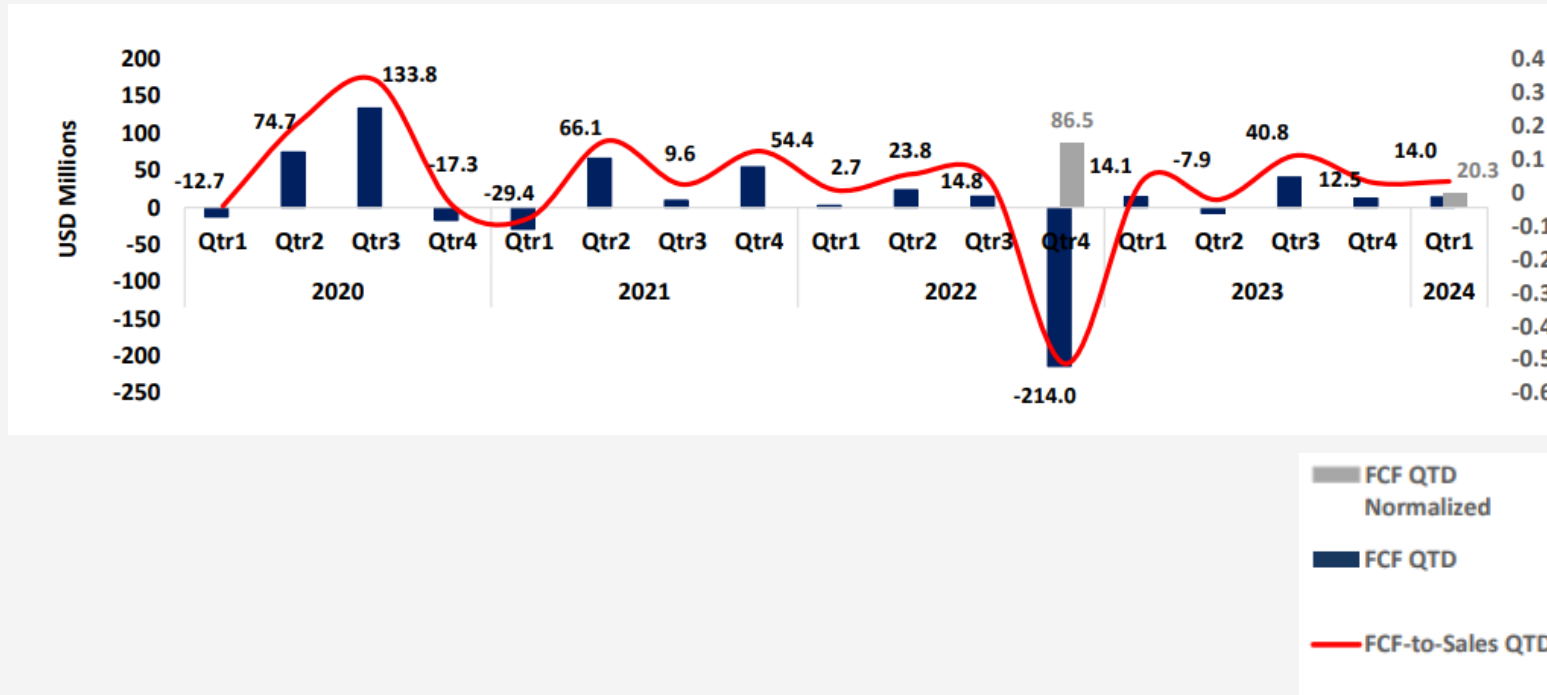
Revenues include revenues from all four product lines: International Express & SnS; Domestic Courier, Freight Forwarding and Logistics, and Other

Ctrb refers to regional revenue contribution to total group revenues.

Volumes: includes volumes from International Express (incl. SnS and MyUS) and Domestic Courier; all volume numbers are actuals

FCF Evolution

$$\text{Free Cash Flow} = \text{Cash Flow from Operating} - (\text{Lease Repayments} + \text{Interest Expense ROU}) - \text{CapEx}$$



- Free Cash Flow (FCF) in Q1 2024 was USD 14 million, stable compared to Q1 2023.
- QoQ FCF increased 12%, benefitting from improvements in working capital and an increase in operating cash flow.

Focus on Improving Value Creation | Q1 2024 Update

+8%
yoy

**Revenue
Growth**

11.8%
+110bps
yoy

**EBITDA
Margin**

5.2%
+40bps
yoy

ROIC

0.8x
-0.2x
yoy

**Net Debt to
EBITDA**

\$14m
-0.7%
yoy

FCF

Financial & Performance Highlights | Healthy balance sheet, conservative leverage, and strong cash position

Balance Sheet Highlights (in USD thousands)

	31 Mar 2024	31 Dec 2023	Change	Change %
Current assets	523,582	526,053	(2,471)	-0.5%
Assets held for sale	1,149	1,334	(185)	-13.9%
Non-current assets	1,054,854	1,059,456	(4,602)	-0.4%
Total assets	1,579,585	1,586,843	(7,258)	-0.5%
Current liabilities	357,909	353,588	4,321	1.2%
Liabilities held for sale	697	796	(99)	-12.4%
Non-current liabilities	543,383	560,477	(17,094)	-3.0%
Total liabilities	901,990	914,861	(12,871)	-1.4%
Non-controlling interest equity	1,741	1,785	(44)	-2.5%
Equity Attributable to equity holders	675,854	670,197	5,657	0.8%
Total equity	677,595	671,982	5,613	0.8%
Key Ratios				
Net Debt TO EBITDA (Excluding IFRS 16)	0.8x	1.0x		
Debt to Equity	80.0%	84.0%		
Debt to Equity (Excluding IFRS 16)	43.3%	45.4%		

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