

aramex

INVESTOR PRESENTATION



Q4 2023 Financial Results

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1. Aramex at a Glance
2. Key Highlights of Q4 2023
3. Q4 & FY 2023 Product Breakdown
4. Q4 & FY 2023 Group Financial Results

16,000+

Employees



70+

Countries

600+

Offices

USD 1.55B

Revenues FY 2023

USD 913M

Market Cap on 31 Dec 2023



International Express

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



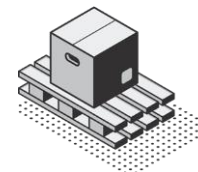
Freight Forwarding

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



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

~32% 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, a river, and various terrain features. A red Aramex truck is positioned on the road in the upper center of the frame. The overall color palette is dominated by warm, golden-brown and orange tones, with some white clouds scattered across the scene.

aramex

IN THE MIDDLE EAST OF IT ALL

AN ARAMEX DOCUMENTARY | 40 YEARS OF OPERATIONS

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

Q4 2023 Key Highlights



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.



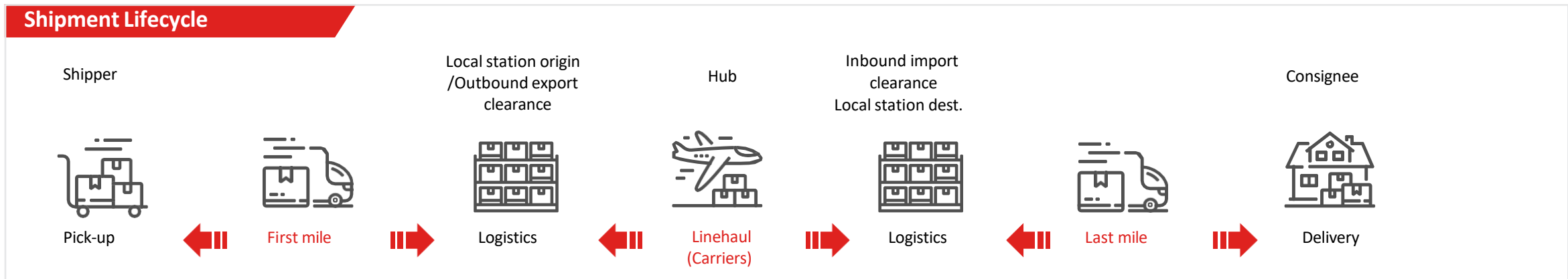
Logistics

- 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

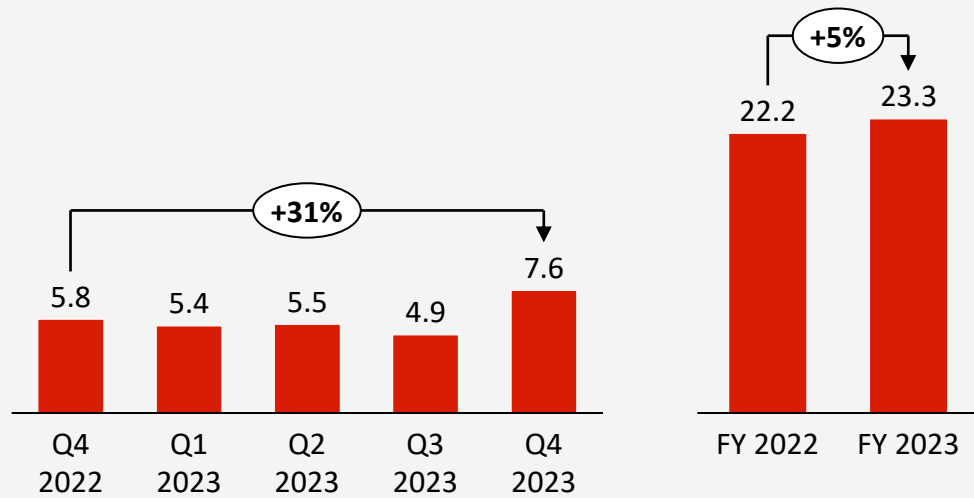
- Global rates in shipping and freight forwarding continue to fluctuate significantly, hence our focus on product profitability.
- Significant opportunity for growth in a highly fragmented market. Focus sales efforts on key global trade lanes into the GCC, MENAT and Africa and our strategic verticals.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



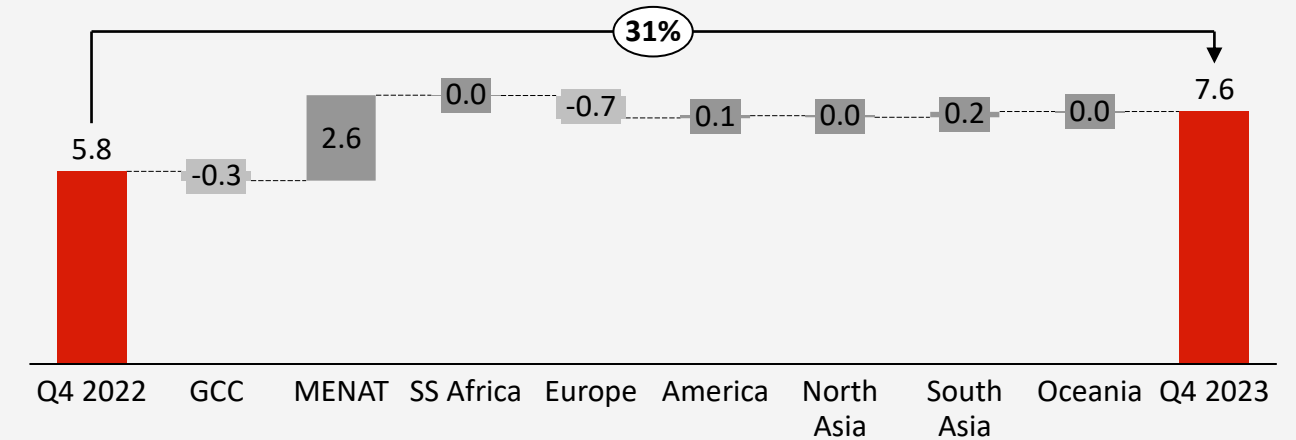


Product Breakdown

International Express Volumes (in million of shipments)



Geographic contributions to int'l express volumes in Q4 2023



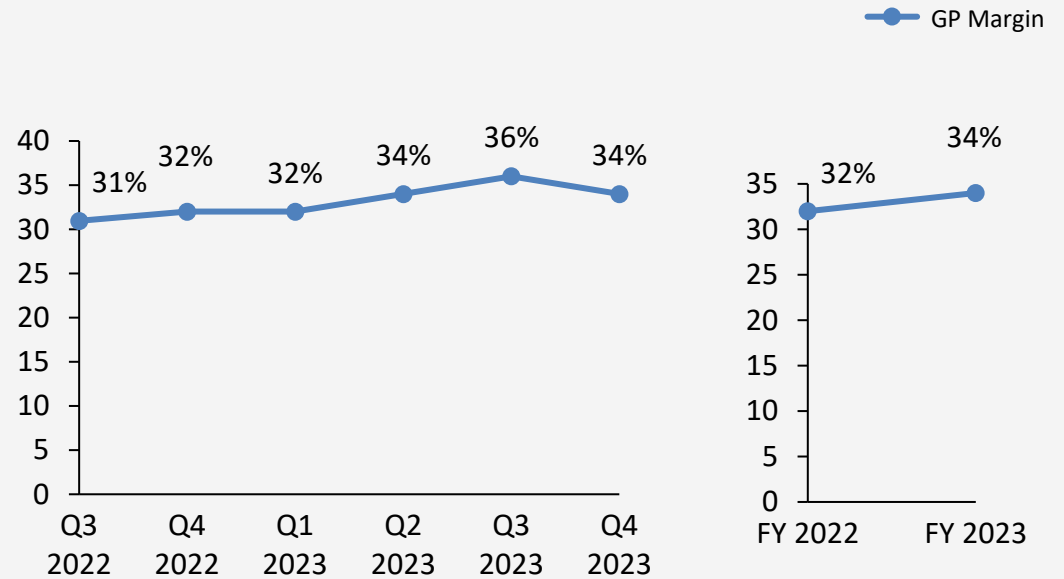
- International Express delivered 31% increase in shipment volumes in Q4 2023 YoY reaching 7.6 million shipments, setting a record for the highest quarterly volumes in the history of the Aramex. For the full year 2023, volumes were up 5% YoY. This growth is driven by new customers.
- International express will continue to diversify across verticals and markets, while also expanding its premium product and dangerous goods offering.

Quarter and Full Year Financials (in USD thousands)

	Q4 2022	Q4 2023	Change
Revenue	165,427	178,576	8%
Total Direct Cost	112,604	117,145	4%
Gross Profit	52,823	61,431	16%
GP%	32%	34%	

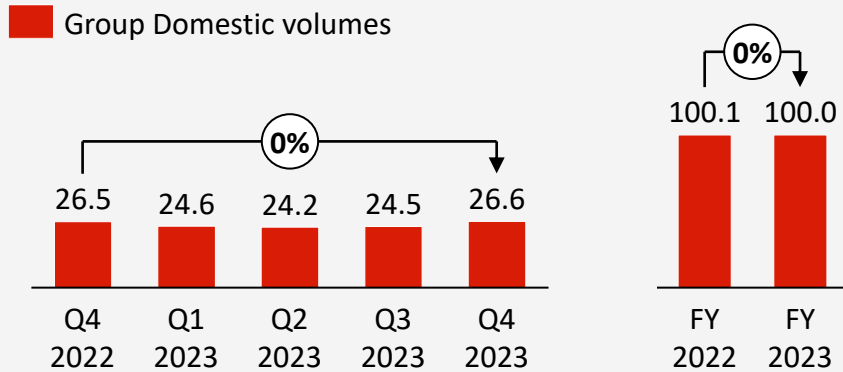
	FY 2022	FY 2023	Change
Revenue	612,341	625,010	2%
Total Direct Cost	418,112	412,561	-1%
Gross Profit	194,230	212,449	9%
GP%	32%	34%	

GP Margin

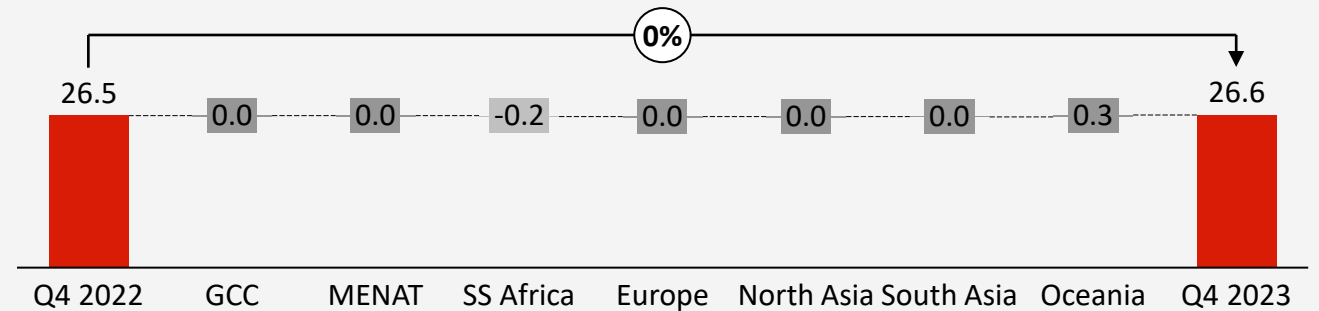


- 8% growth YoY in Q4 2023 Revenue driven by new client wins. With more efficient operations, and an infrastructure ready to accommodate more business, gross profit grew double digit, at a fast rate than revenue, and the GP margin improved two percentage points to 34%.
- For the full year 2023, we report improvement in all key indicators for the international express product and close the year with a healthy GP margin of 34%.

Quarterly Domestic Volumes (in million of shipments)



Geographic contributions to domestic volumes in Q4 2023



**Oceania restructuring plan is in place

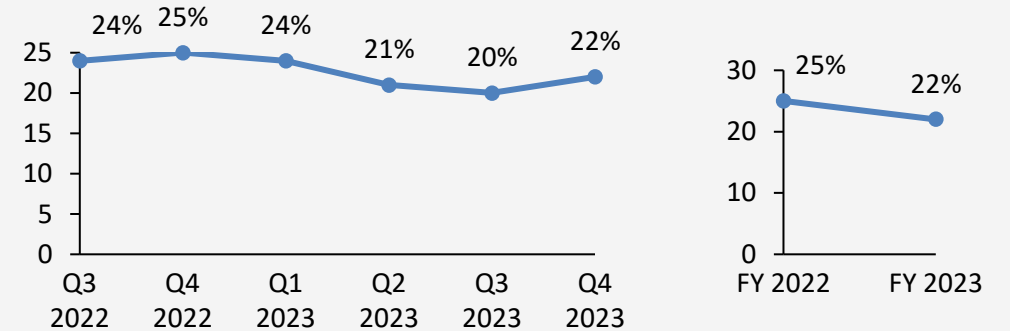
- Domestic express delivered stable volumes of 26.6 million shipments in Q4 2023 compared to the same period last year; and a good increase over Q3 2023 due to seasonality.
- Despite the softness in retail activities worldwide, 2023 delivers stable volumes for domestic express across the regions. Notably, we are starting to see improvement in Oceania, with a modest increase in volumes in Q4 2023 compared to the same period last year. This is driven by the improvement in our SLA KPIs and the restructuring activities being carried out in Oceania.
- Our focus remains on increasing market share in key markets and recovering volumes in Oceania. Retail, B2B customers and SMEs will contribute to volume growth.

Quarter and Full Year Financials (in USD thousands)

	Q4 2022	Q4 2023	Change	Change Excl FX
Revenue	102,850	98,493	(4%)	(1%)
Total Direct Cost	76,823	77,136	0%	
Gross Profit	26,028	21,357	(18%)	(19%)
GP%	25%	22%		

	FY 2022	FY 2023	Change	Change Excl FX
Revenue	407,527	388,651	(5%)	2%
Total Direct Cost	306,702	303,473	(1%)	
Gross Profit	100,825	85,178	(16%)	(8%)
GP%	25%	22%		

GP Margin



- Q4 2023 Revenue declined 4% YoY and Revenue for the full year 2023 declined 5% YoY mainly due to due to FX impacts. Excluding the currency impact, Revenue decline was 1% for the Q4 2023 period, and for the full year period Revenue grew 2%.
- We have adjusted the reporting parameters of the domestic express product, in line with the other products. Upon removing FX effects, the Gross Profit declined 8% for the full year primarily due to the softness in Oceania, certain adjustments in Group reporting as well as currency fluctuations.
- As a reminder, from July 2023 onwards, heavy 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.

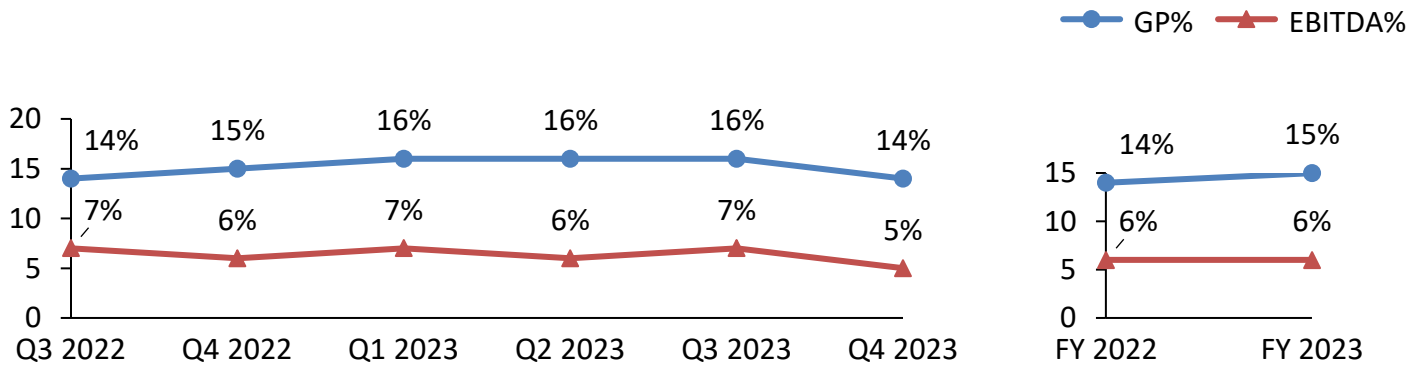
Freight Forwarding Volumes

	Q4 2022	Q4 2023	Change	FY 2022	FY 2023	Change
Air Freight Kgs	11,579,801	11,958,881	3%	52,525,834	44,832,629	-15%
Land Freight (FTL)	7,616	8,024	5%	29,036	29,153	0%
Land Freight (LTL KGs)	38,871,375	46,270,905	19%	153,489,529	174,521,104	14%
Sea Freight (FCL TEU)	8,392	7,694	-8%	31,133	30,787	-1%
Sea Freight (LCL CMB)	4,509	7,647	70%	18,526	24,733	34%

Commentary

- Overall, Aramex's Freight-Forwarding business was resilient in a challenging market characterized by the decline in global freight rates, leading to a downward impact on pricing as seen across the freight forwarding industry worldwide.
- Land freight delivered robust growth in volumes, with Aramex boasting a large trucking fleet in the GCC and wider region. During the year, the decline in sea freight rates has led to a shift in volumes from air freight to sea freight which is also reflected in the volume performance of Aramex.
- Softness in demand globally coupled with the decline in sea freight rates are providing customers with the opportunity to optimize their supply chain and mode of transportation to move more volumes via sea in a more cost-effective manner

Freight Forwarding Margins



Quarter Financials (in USD thousands)

	Q4 2022	Q4 2023	Change	Excl. FX
Revenue	114,715	104,535	(9%)	(9%)
Total Direct Cost	97,845	90,030	(8%)	
Gross Profit	16,870	14,505	(14%)	(12%)
GP%	15%	14%		
EBIT	4,448	2,876	(35%)	
EBIT%	4%	3%		
EBITDA	6,383	4,988	(22%)	
EBITDA%	6%	5%		

Full Year Financials (in USD thousands)

	FY 2022	FY 2023	Change	Excl. FX
Revenue	458,633	407,305	(11%)	(10%)
Total Direct Cost	395,274	344,860	(13%)	
Gross Profit	63,359	62,446	(1%)	3%
GP%	14%	15%		
EBIT	19,567	17,377	(11%)	
EBIT%	4%	4%		
EBITDA	27,532	25,142	(9%)	
EBITDA%	6%	6%		

- Sales evolution was in line with pricing, driven by the decline in industry rates. Q4 2023 registered a 9% YoY decline in Revenue, mirroring a consistent trend for the full year with a 11% drop in Revenue. Notably, Q4 2023 revenue improved compared to Q3 2023 revenue.
- Despite the softness at the topline due to declines in rates, margins remained largely stable YoY
- Costs were well managed, declining in line with revenues while efficiencies helped deliver a stable GP margin of 14% for Q4 2023 and 15% for FY 2023 and stable EBIT and EBITDA margins for the full year period.

Quarter Financials (in USD thousands)

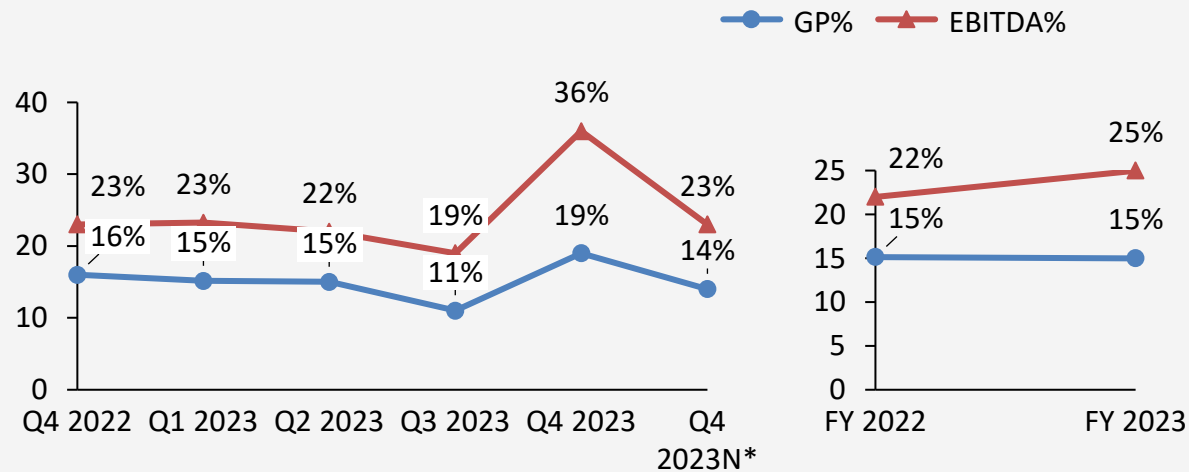
	Q4 2022	Q4 2023	Change	Excl FX
Revenue	31,441	30,184	(4%)	0%
Total Direct Cost	26,349	24,430	(7%)	
Gross Profit	5,093	5,754	13%	22%
GP%	16%	19%		
EBIT	1,168	4,638	297%	
EBIT%	4%	15%		
EBITDA	7,185	10,897	52%	
EBITDA%	23%	36%		

Logistics Margins

	FY 2022	FY 2023	Change	Excl FX
Revenue	122,477	116,791	(5%)	2%
Total Direct Cost	103,682	99,016	(5%)	
Gross Profit	18,795	17,776	(5%)	7%
GP%	15%	15%		
EBIT	2,491	4,757	91%	
EBIT%	2%	4%		
EBITDA	26,467	29,465	11%	
EBITDA%	22%	25%		

- Resilient performance for the Logistics product: Revenue was impacted by foreign exchange translation. Excluding FX, Revenue was stable in Q4 2023 and increased 2% for the full year period. Sequentially, Q4 2023 saw an increase in sales (and margins) compared to Q3 2023, driven by new client wins.
- Aramex continued to focus on enhancing operational efficiencies and maintained a disciplined approach to cost management. For the full year 2023, Gross Profit declined in line with Revenue and the margin was maintained at a healthy 15%.
- Q4 2023 Gross Profit increased 13% YoY and the margin improved to 19%. It is worth noting that Logistics benefitted from a one-off settlement which added a further boost to the profitability of this product during Q4 2023.

Logistics Margins



*Q4 2023 margins were normalized to remove the impact of a one-off settlement which provided a positive boost to the profitability of this product during the quarter

- High-growth sectors retail, e-commerce and industrials remain the top revenue contributors to the growth of the Logistics product.
- The UAE operations in particular have made significant progress, while management remains focused on growing the product in other key markets. Cautiously optimistic, we employ a localized strategy per market to ensure we meet client demands in a fast-changing environment and have a healthy pipeline of new business in 2024
- Looking ahead to 2024, management focus is to:
 - Grow Footprint – expanding our warehouse space in our core markets in UAE, Saudi, Egypt, Morocco, South Africa, India. Our deep knowledge in specialized sectors such as energy, retail and e-commerce fulfillment alongside investment in technology are key competitive differentiators in our key markets.
 - Improve Utilization – increasing capacity in our fulfillment centers by optimizing space usage and design; as well as bringing in more volumes to existing warehouses



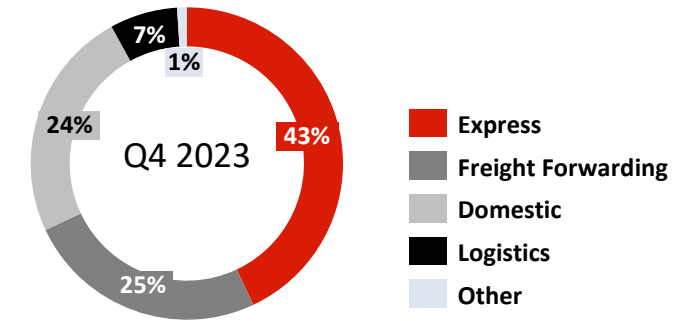
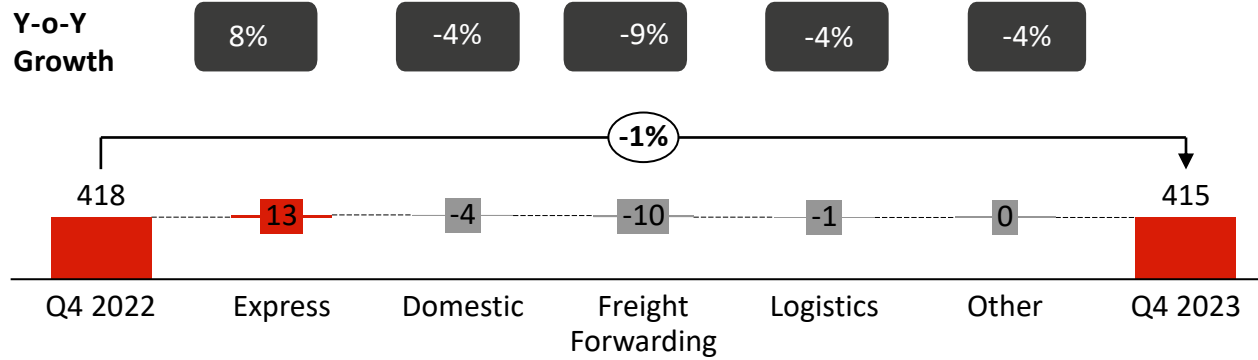
Group Financial Results



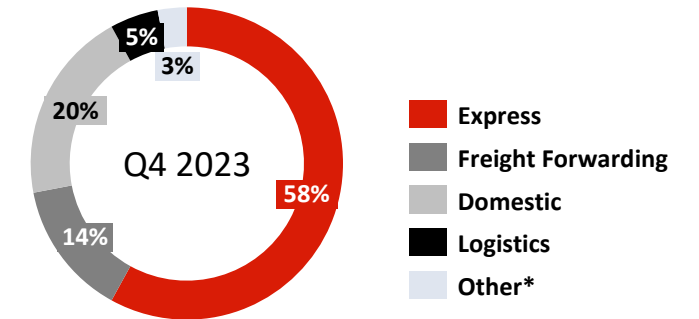
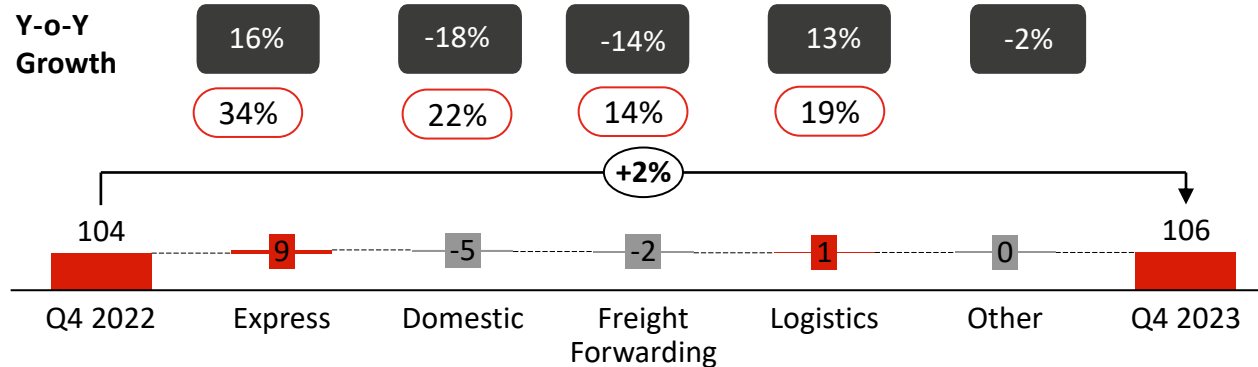
Q4 2023 vs Q4 2022 (in USD million)

Contribution to Group (in % of total)

REVENUE

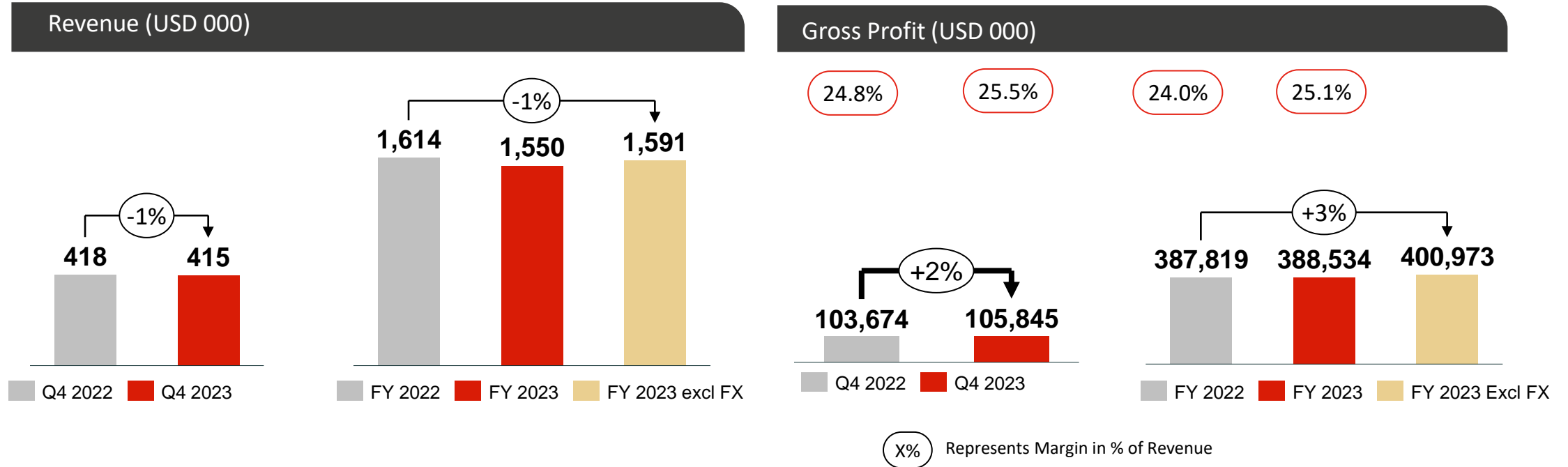


GROSS PROFIT



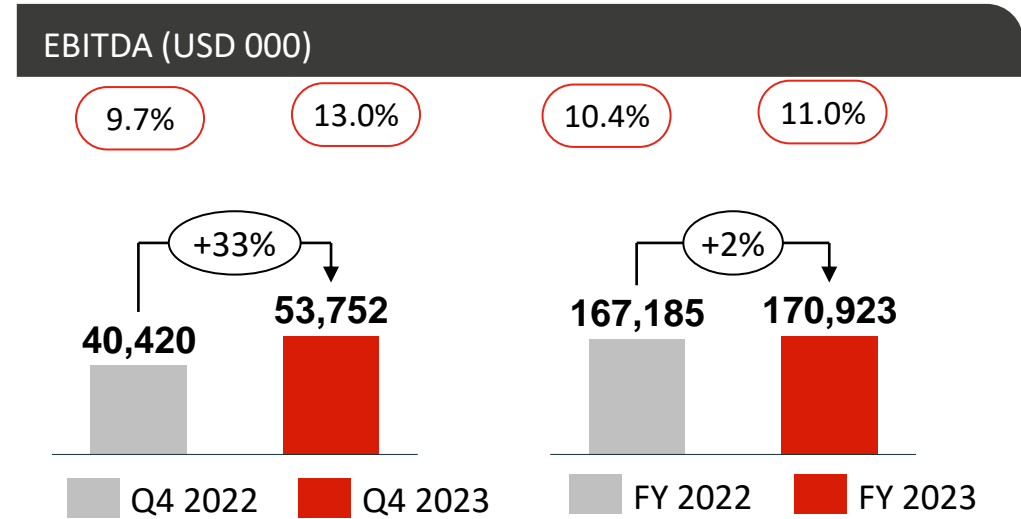
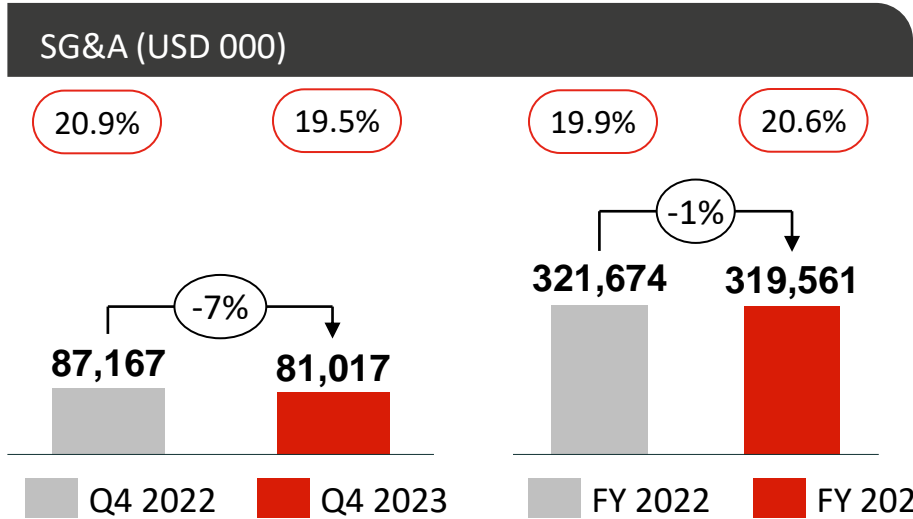
X% Represents Margin in % of Revenue

Financial & Performance Highlights | Group Highlights Q4 2023 & FY2023



- Q4 2023 Group revenue was USD 415m, down 1% YOY and FY revenue was USD 1.5 billion, impacted by global headwinds and FX translations. The double-digit revenue growth in international express was offset by the decline in freight revenues due to the decline in industry rates
- Management continues to prioritize quality revenue, operational efficiency and cost optimization through the economic cycle delivering 2% YoY growth in reported Gross Profit in Q4 2023, reaching USD 389m gross profit for the full year. Margins improved one percentage point YoY in Q4 2023 and FY 2023.
- Currency translation impacted Revenue and GP negatively by USD 40 million and USD 12 million, respectively. Excluding FX, full year Revenue decline was 1% compared to the reported 4% decline and Gross Profit growth was 3% compared to the reported 0% growth for the full year 2023 compared to the year 2022.

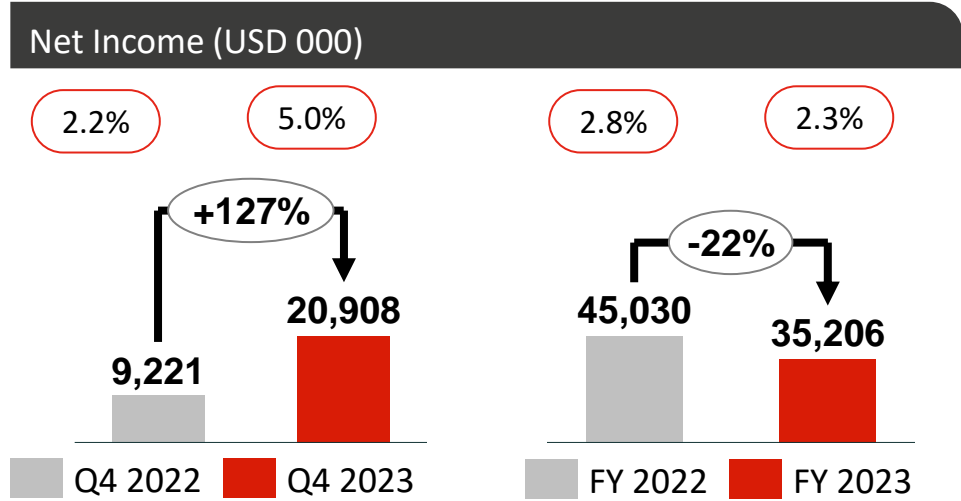
Financial & Performance Highlights | Group Highlights Q4 2023 & FY2023



X% Represents Margin in % of Revenue

- Consolidated Group SG&A declined for both the Q4 2023 and FY 2023 periods, reflecting the Company's agility in cost management, and reaching pre-pandemic levels for the cost structure. Notably, selling expenses for the organic business increased 7% in 2023 compared to 2022, in line with the Company's strategy to increase sales competencies in key verticals across key markets and G&A for the organic business declined 10% in 2023 compared to 2022.
- Q4 2023 EBITDA increased significantly, benefitting from increased focus on quality revenues and efficiencies across the Group. Consequently, the EBITDA margin increased to 13% in Q4 2023 and to 11% for the full year period.
- FY 2023 EBITDA reached USD 171 million, up 2% YoY despite the revenue softness and indicating our success in managing costs and operational efficiencies.

Financial & Performance Highlights | Group Highlights Q4 2023



X% Represents Margin in % of Revenue

- Q4 2023 Net Income doubled compared to the same period last year, driven by the growth in EBITDA. Full year Net Incomes was USD 35 million.
- For the full year, Net Income witnessed a 22% decline YoY, attributed mainly to the increase in finance expenses associated with the MyUS acquisition loan taken in Q4 2022, and to a lesser extent, to the currency translation impact.

Regions (in thousands USD)

GCC		
Rev Ctrb to Group		37%
Rev & Grth	151,776	(8%)
GP & Grth	37,981	6%
Volumes	9,384,018	(3%)

MENAT		
Rev Ctrb to Group		18%
Rev & Grth	73,242	38%
GP & Grth	19,826	32%
Volumes	7,598,924	52%

Europe		
Rev Ctrb to Group		11%
Rev & Grth	44,133	(17%)
GP & Grth	6,600	(11%)
Volumes	944,210	(42%)

America		
Rev Ctrb to Group		10%
Rev & Grth	39,575	(4%)
GP & Grth	10,244	(21%)
Volumes	1,320,198	6%

SS Africa		
Rev Ctrb to Group		5%
Rev & Grth	19,165	(16%)
GP & Grth	7,469	4%
Volumes	1,367,576	(12%)

North Asia		
Rev Ctrb to Group		3%
Rev & Grth	12,221	(10%)
GP & Grth	2,565	(32%)
Volumes	211,079	(18%)

South Asia		
Rev Ctrb to Group		8%
Rev & Grth	31,947	9%
GP & Grth	6,633	14%
Volumes	1,201,317	12%

Oceania		
Rev Ctrb to Group		9%
Rev & Grth	39,283	5%
GP & Grth	5,404	(38%)
Volumes	12,178,942	3%

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

Regions (in thousands USD)

GCC		
Rev Ctrb to Group		39%
Rev & Grth	598,676	(6%)
GP & Grth	145,141	13%
Volumes	38,102,822	(1%)

MENAT		
Rev Ctrb to Group		14%
Rev & Grth	212,331	0%
GP & Grth	57,764	(3%)
Volumes	21,969,915	18%

Europe		
Rev Ctrb to Group		12%
Rev & Grth	192,767	(5%)
GP & Grth	27,722	(15%)
Volumes	4,994,756	(10%)

America		
Rev Ctrb to Group		10%
Rev & Grth	158,582	54%
GP & Grth	46,045	105%
Volumes	4,992,241	9%

SS Africa		
Rev Ctrb to Group		5%
Rev & Grth	81,282	(14%)
GP & Grth	29,551	(8%)
Volumes	5,597,503	(11%)

North Asia		
Rev Ctrb to Group		3%
Rev & Grth	42,414	(46%)
GP & Grth	9,993	(54%)
Volumes	862,091	(39%)

South Asia		
Rev Ctrb to Group		7%
Rev & Grth	113,080	(15%)
GP & Grth	23,194	7%
Volumes	4,365,236	4%

Oceania		
Rev Ctrb to Group		9%
Rev & Grth	141,394	(2%)
GP & Grth	22,985	(33%)
Volumes	42,453,699	(1%)

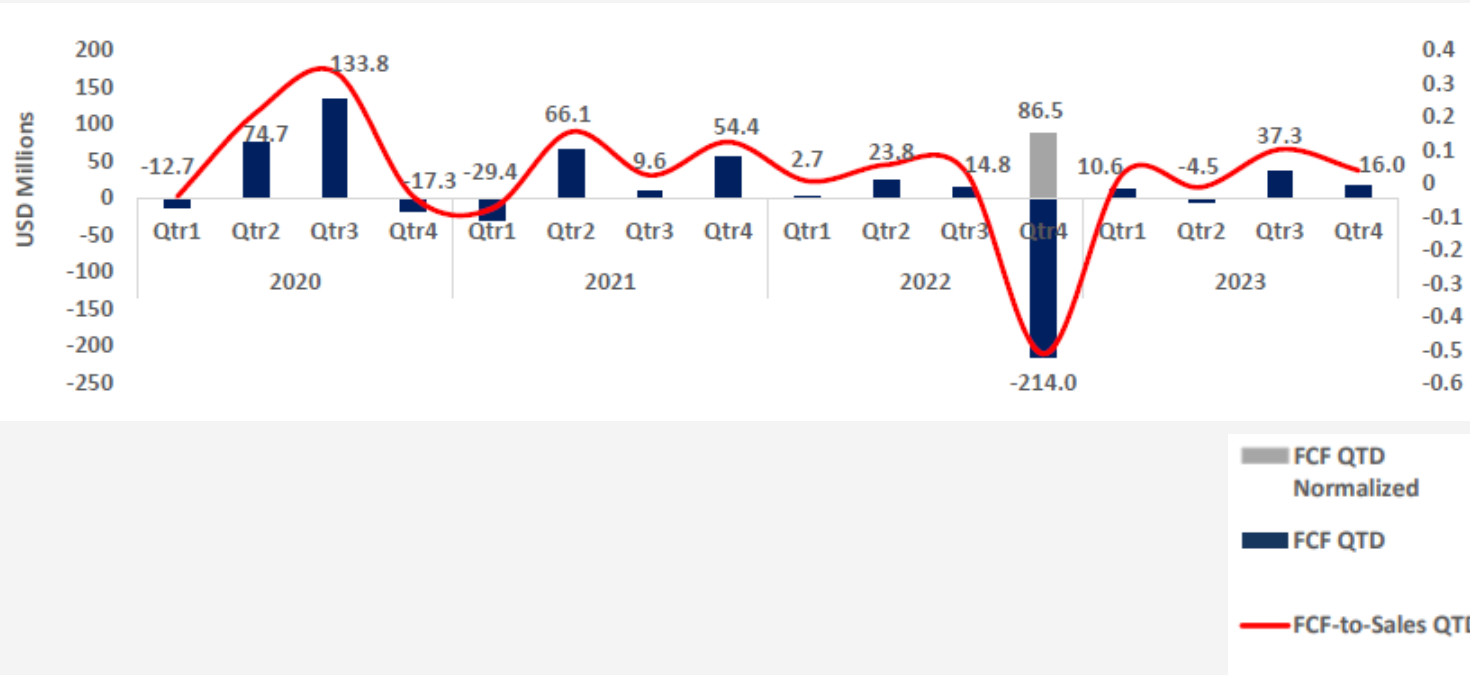
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FCF Evolution

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



- Free Cash Flow in Q4 2023 was USD 16 million, higher than Q4 2022 due to improvements in the working capital. Sequentially, Free Cash Flow in Q4 2023 is lower than Q3 2023 mainly due to negative cash flows from PPE investing activities.
- Free Cash Flow in Q4 2022 includes the consideration paid for the acquisition of MyUS.
- Normalised Free Cash Flow in Q4 2022 was \$86.5 million, representing 4.5% of sales and indicating the start of a good recovery compared to 2021
- Normalizations applied to FCF in Q4 2022 include the MyUS acquisition cash outflow, and certain 2021 non-recurring items including the proceeds from the sale of InfoFort

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

Balance Sheet Highlights (in USD thousands)

	31 Dec 2022	31 Dec 2023	Change	Change %
Current assets	594,402	526,053	(68,349)	-11.5%
Assets held for sale	1,789	1,334	(455)	-25.4%
Non-current assets	1,062,718	1,059,456	(3,262)	-0.3%
Total assets	1,658,909	1,586,843	(72,066)	-4.3%
Current liabilities	412,501	353,588	(58,913)	-14.3%
Liabilities held for sale	1,336	796	(540)	-40.4%
Non-current liabilities	559,349	560,477	(1,128)	0.2%
Total liabilities	973,185	914,861	(58,324)	-6.0%
Non-controlling interest equity	2,414	1,785	(629)	-26.1%
Equity Attributable to equity holders	683,310	670,197	(13,113)	-2.0%
Total equity	685,724	671,982	(13,742)	-1.9%
Key Ratios				
Net Debt TO EBITDA	2.3x	2.4x		
Debt to Equity	87.5%	84.0%		
Debt to Equity (Excluding IFRS 16)	50.1%	45.4%		

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Chief Financial Officer

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