

Investors Presentation Q1 2021 Results



aramex
delivery unlimited



Management Update | Q1 2021 Results | Long Term Performance | Management Outlook

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Management Update



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Aramex is a Global Provider of Logistics and Transportation Solutions

17,000+ Employees | **600+** Offices in **65+** Countries | **AED 1.4** Billion Revenues | **AED 5.8** 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.

Closing Price Q1 2021

AED 3.93

Total Return Metrics

-10.92%

YTD 2021 share price increase and total shareholder return (dividend reinvested)

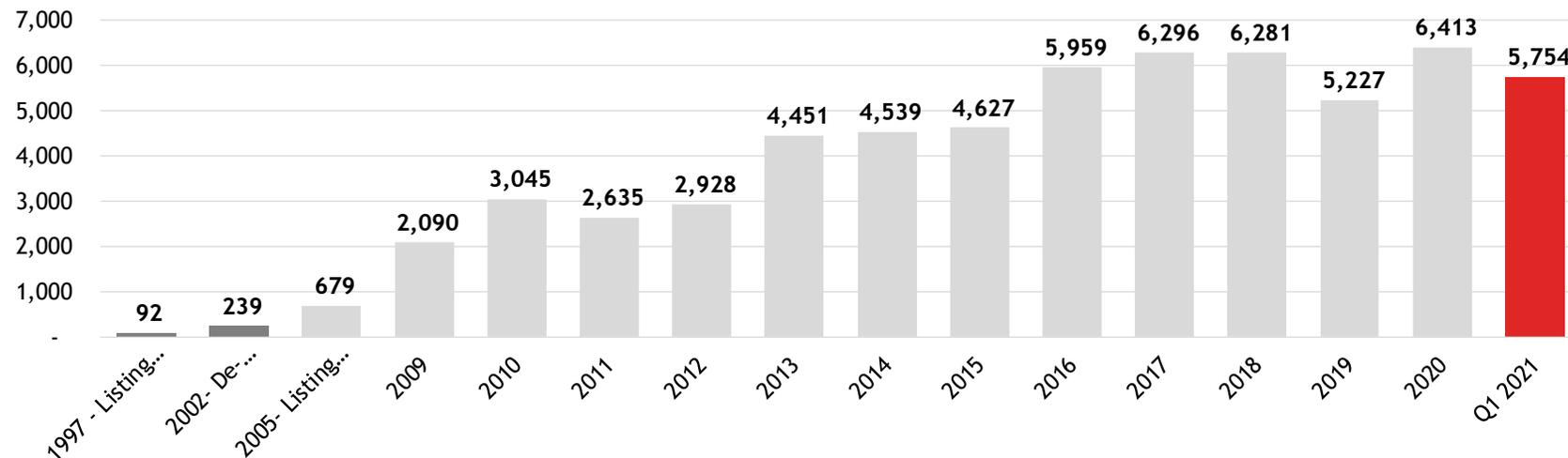
-0.45%

2020 share price increase

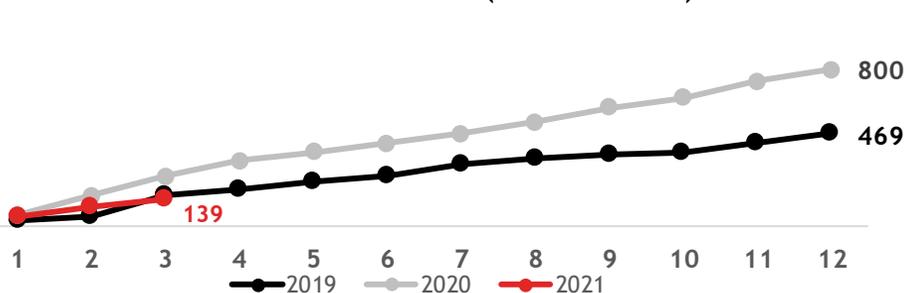
-9.66%

2021 total shareholder return (dividend reinvested)

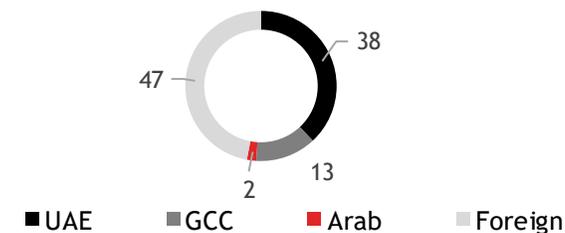
Market Capitalization (AEDm)



Aramex cumulated traded volume (million shares)



Geographic Ownership



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

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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

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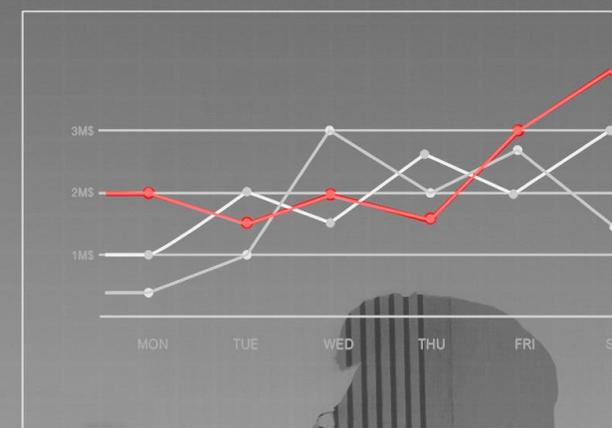
Organic Growth

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

Q1 2021 Results



Q1 2021 Results

Revenues

24% growth compared to Q1 2020

EBITDA

-8% year on year headline EBITDA growth

Net Profit Margin

-263 bp margin year on year

EPS

-32% earnings per share decreased

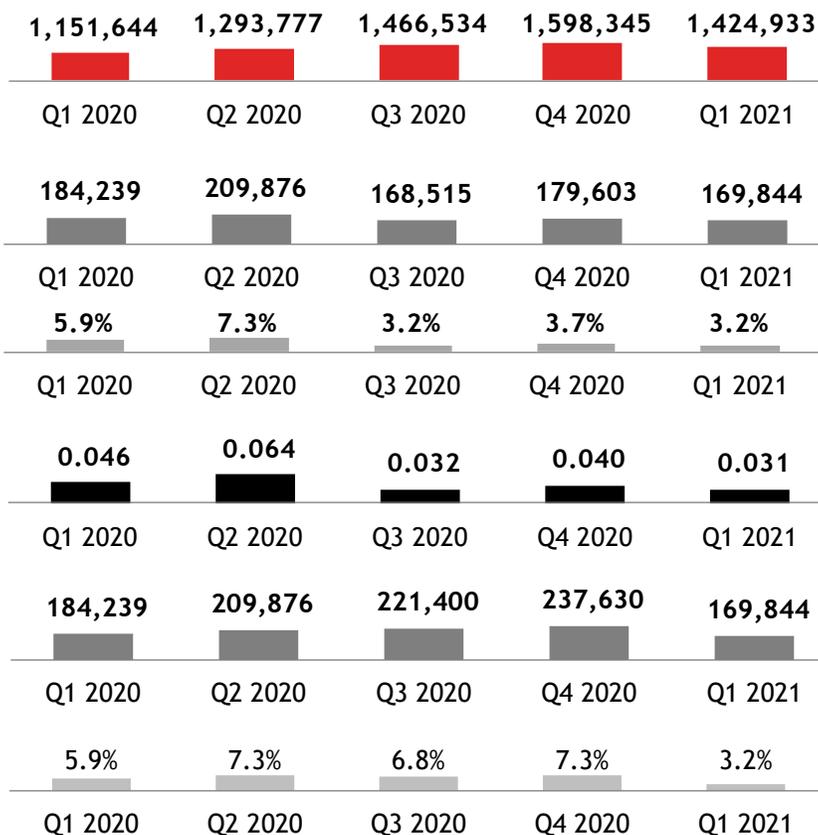
EBITDA Normalized

-8% year on year headline EBITDA growth

Net Profit Margin Normalized

-263 bp margin year on year

Performance across key indicators (AED)



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

Management Comments

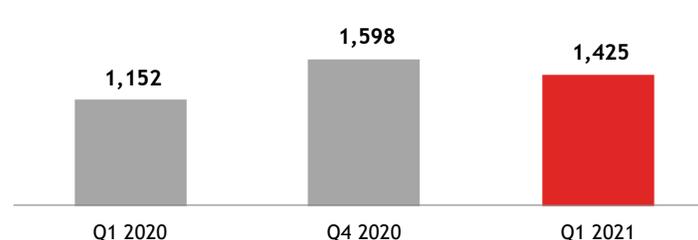
Revenues jumped 24% to AED 1,425 million driven by increased demand for Express business including cross border e-commerce and last mile services. The top line growth was also driven by strong rebound of e-commerce business and the B2B services lines, particularly from the healthcare and FMCG sectors.

Operating profit and EBITDA were negatively impacted by the increase in line haul costs on the back of global capacity constraints caused by supply chain disruptions the industry continues to face due to the pandemic.

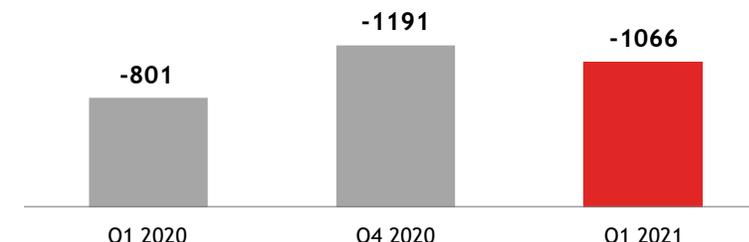
International Express business surged 35% driven by growth in cross-border e-commerce activities in the US, UK, Hong Kong and other Asia origins into the GCC.

Domestic Express e-commerce volumes surged by 36% in core markets

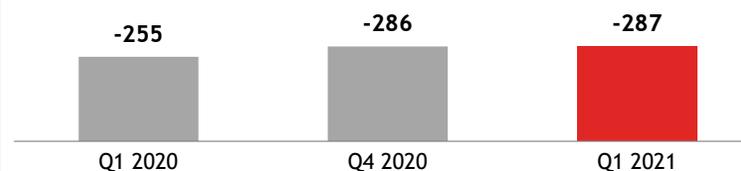
Revenue (AED m)



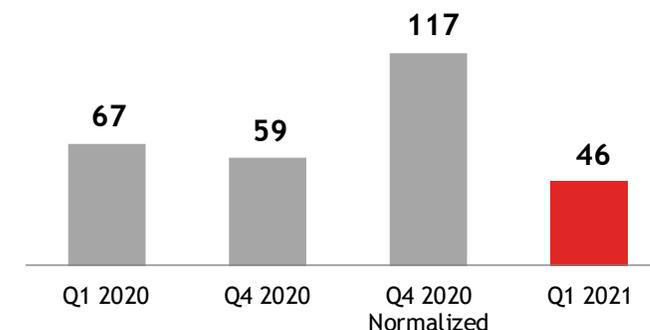
Cost of Services (AED m)



Total Overheads (AED m)



Attributable Net Profit (AED m)

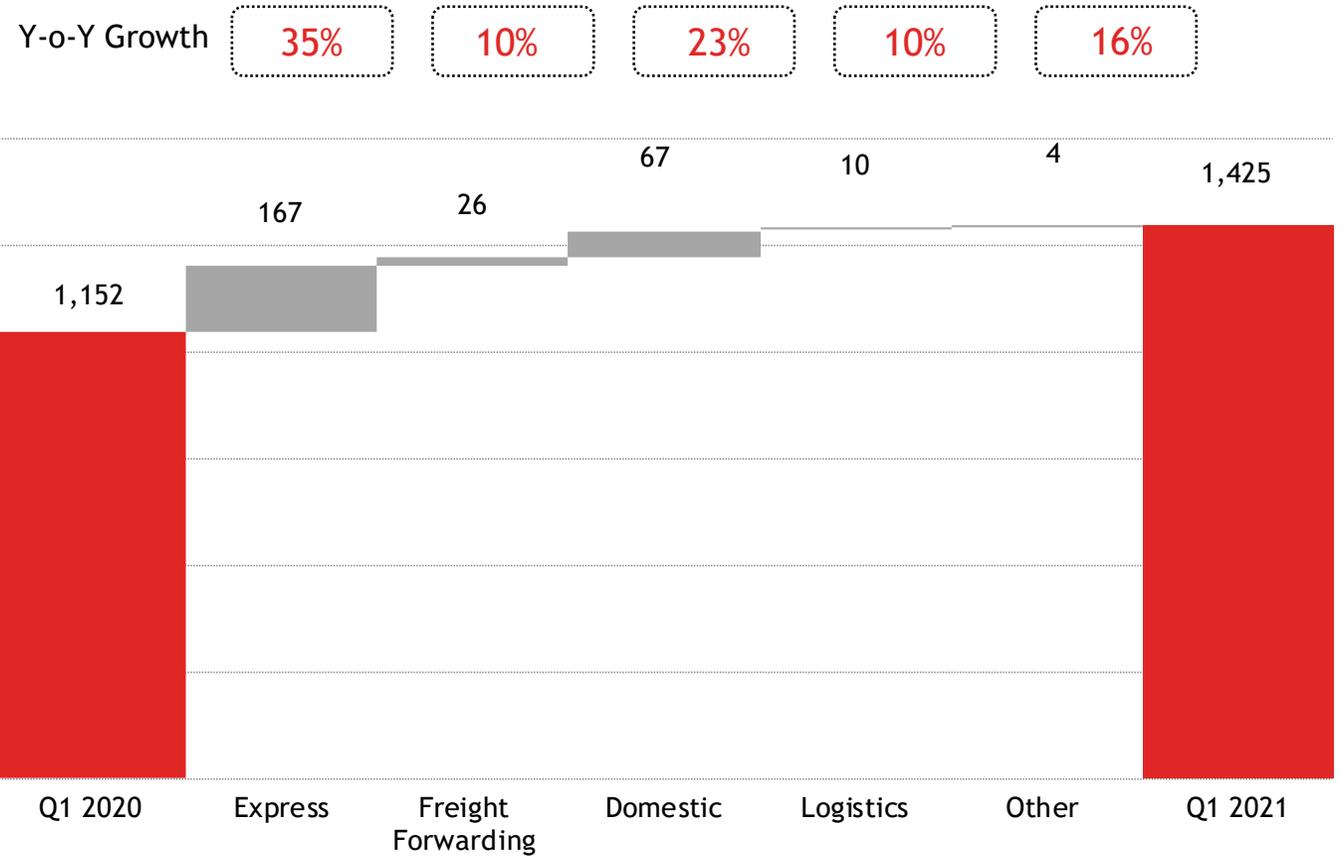
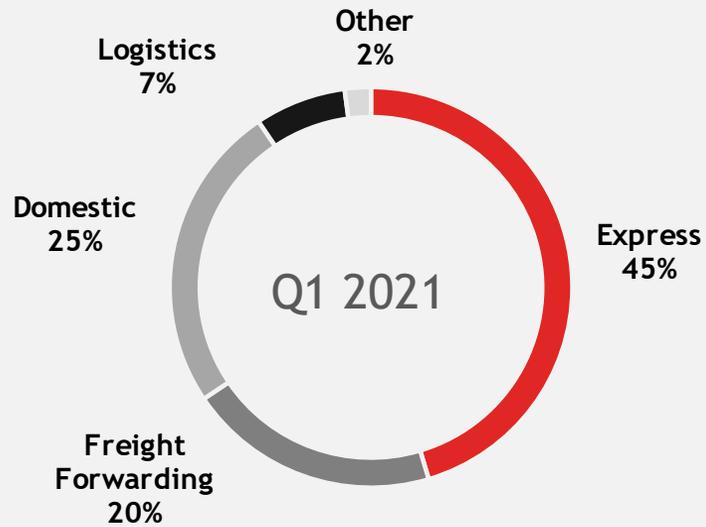


Income Statement (AEDm)

	Q1 2021	Quarter		Movement (%)	
		Q4 2020	Q1 2020	q-o-q	y-o-y
Revenue	1,425	1,598	1,152	-11%	24%
Cost of Services	(1,066)	(1,191)	(801)	10%	-33%
Gross Profit	359	407	350	-12%	2%
Overheads	(287)	(286)	(255)	-0.4%	-13%
Profit for the period	46	59	67	-22%	-32%
Profit for the period Normalized	46	117	67	-61%	-32%
EBITDA	170	180	184	-5%	-8%
EBITDA Normalized	170	238	184	-29%	-8%

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

Revenues by Segment (AED m)



Revenues by Geography



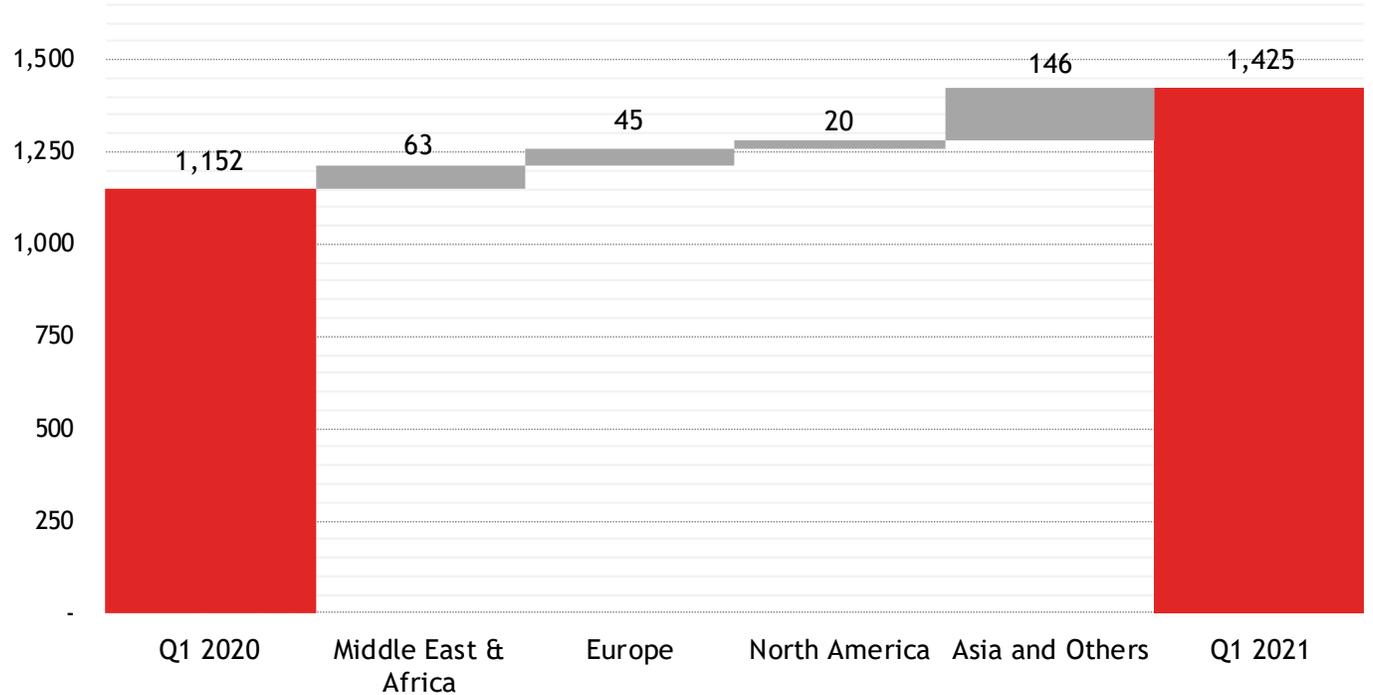
Y-o-Y Growth

9%

31%

36%

60%



Financial Ratios (AEDm)

	Q1 2021	Q4 2020	Q1 2020	Movement (%)	
				q-o-q	y-o-y
EPS (AED)	0.031	0.040	0.046	-23%	-33%
Gross Profit Margin %	25.2%	25.5%	30.4%	-0.3%	-5.2%
Net Profit Margin %	3.2%	3.7%	5.9%	-0.4%	-2.6%
EBITDA Margin %	11.9%	11.2%	16.0%	0.7%	-4.1%
Debt/Equity %	25.4%	28.6%	30.6%	3.2%	5.2%

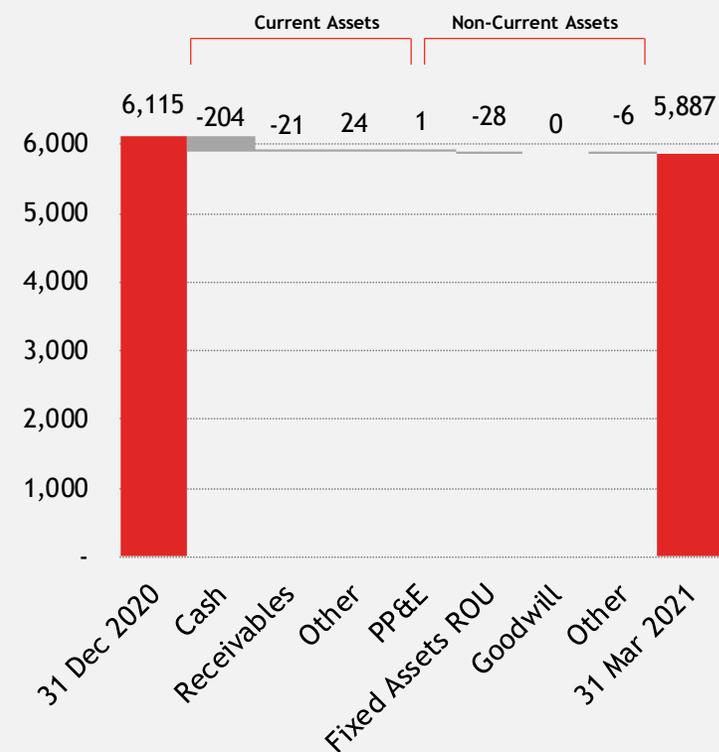
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	Q4 2020
Net Profit margin would have been	7.3%
EBITDA margin would have been	14.9%

Balance Sheet Highlights

	31 Mar 2021	31 Dec 2020	Movement	
			Actual	Change %
Current assets	2,419	2,621	-201	-8%
Assets held for sale	223	218	5	2%
Non-current assets	3,244	3,277	-33	-1%
Total assets	5,887	6,115	-228	-4%
Current liabilities	2,010	2,243	-233	-10%
Liabilities held for sale	93.5	94.0	-0.5	-0.5%
Non-current liabilities	1,035	1,071	-36	-3%
Total liabilities	3,138	3,408	-270	-8%
Non-controlling interest	15	16	-1	-10%
Shareholders' equity	2,733	2,691	42	2%

Asset Movement Y-o-Y (AED m)



Composition of Assets

	31 Mar 2021	31 Dec 2020	Movement	
			Actual	in %
Cash and cash equivalents	1,051	1,255	-204	-16%
Receivables (net)	1,073	1,094	-21	-2%
Other current assets	296	272	24	9%
Total current assets	2,419	2,621	-201	-8%
Assets held for sale	223	218	5	2%
Property, Plant and equipment (net)	958	957	1	0.1%
Goodwill (net)	1,136	1,136	0	0%
Other non-current assets	288	294	-6	-2%
Fixed assets ROU	862	890	-28	-3%
Total non-current assets	3,244	3,277	-33	-1%
Total assets	5,887	6,115	-228	-3.7%

Long Term Performance



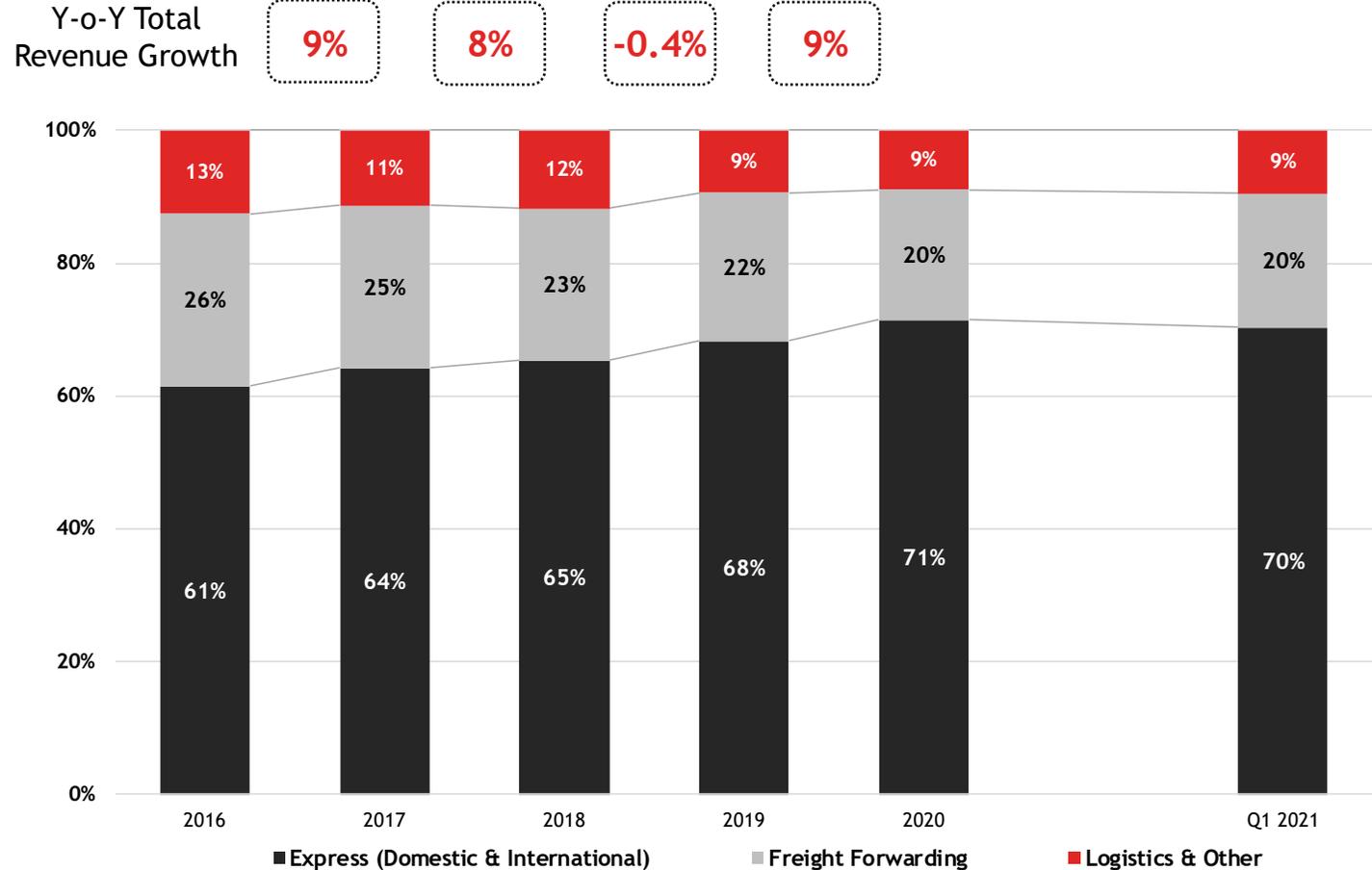
Segmental Revenues (%)

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 61% to 70% as of Q1 2021.

Freight forwarding continues to decline from 26% 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 2021 results of the consolidated income statement and, 2020 & 2019 comparatives reflect the disposals within results from discontinued operations. While 2016-2018 include infofort figures.

Aramex 2015 - 2020 (indexed)

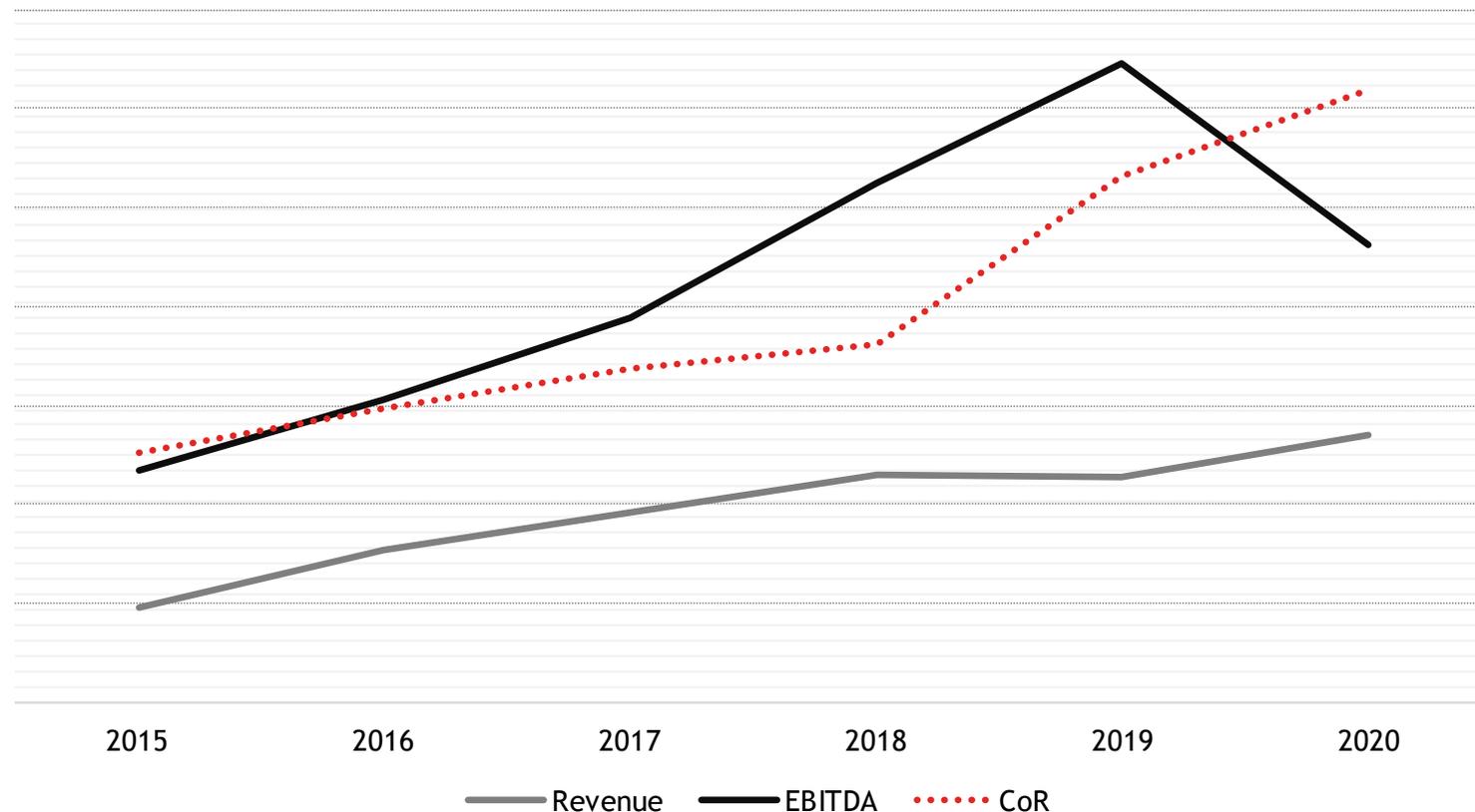
We delivered a consistently strong performance since 2015

2015 - 2020 CAGR

Revenues 8.0%

Cost of Services 10.7%

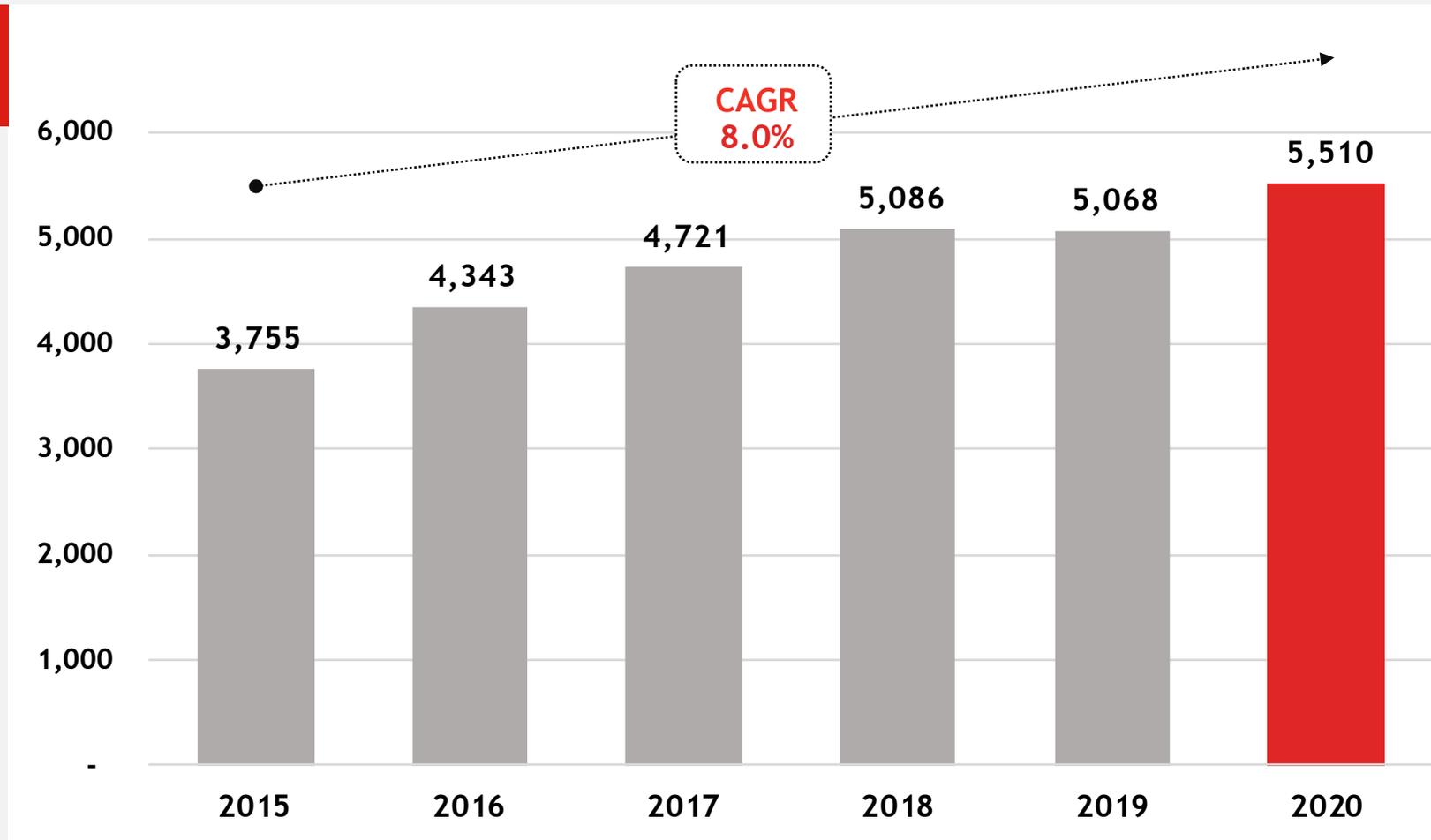
EBITDA 9.7%



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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



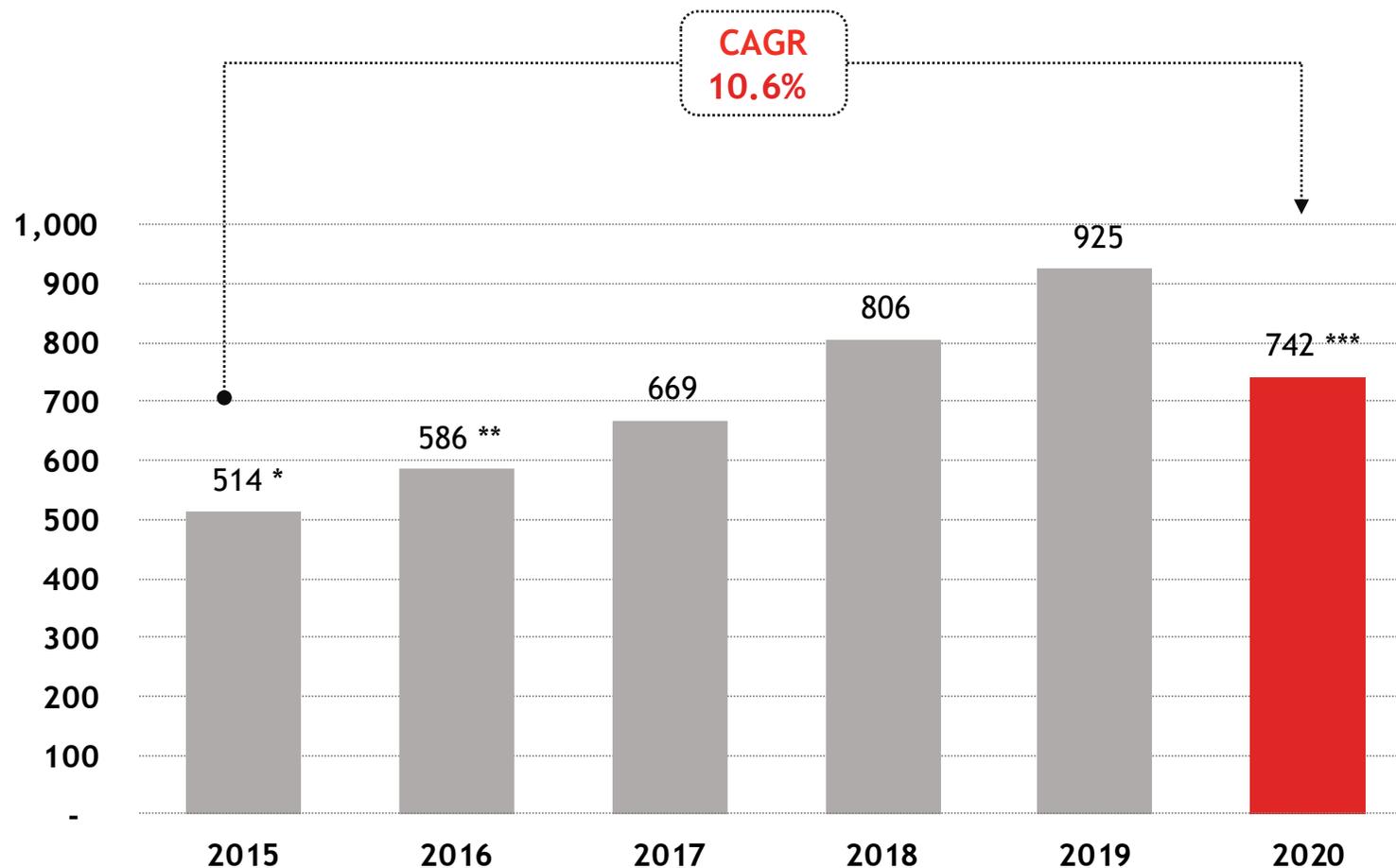
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EBITDA Before Special Items (AED m)

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.

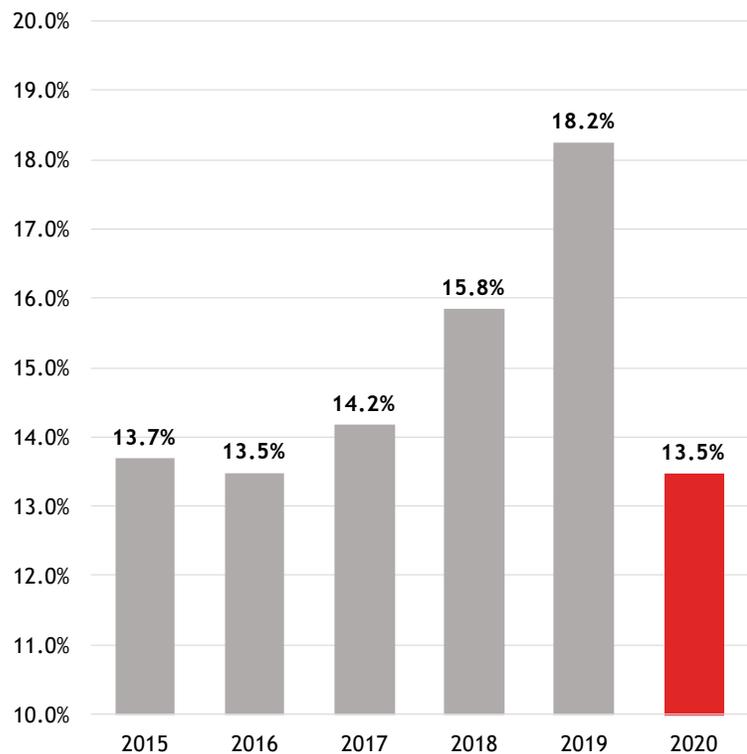
** Special items comprise: 2Q 2016 - gain on bargain purchase of AMC of AED 41,568 thousand.

• *** 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

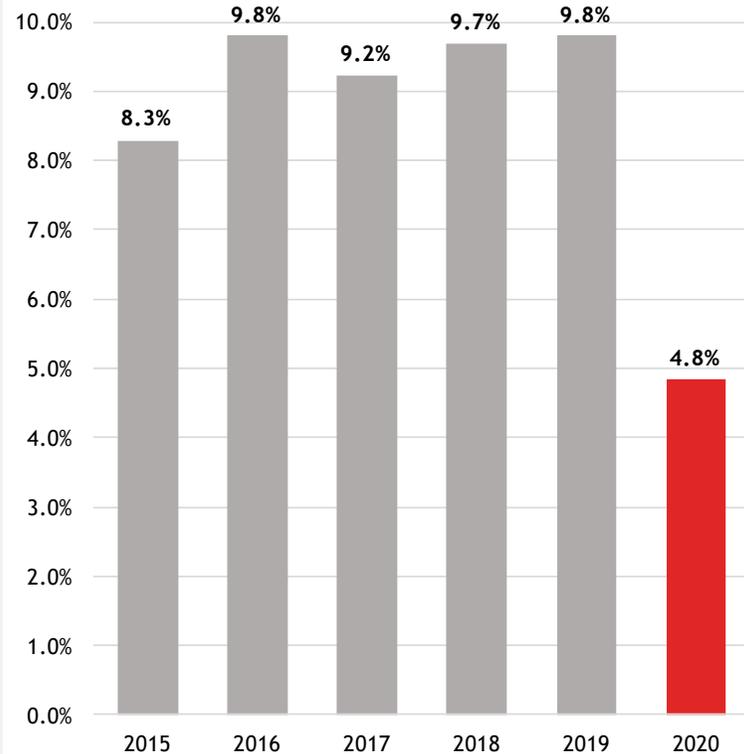
• 4Q- A provision for lawsuit from a customer resulting from the fire incident in Morocco AED 36,726 thousand and Expected Credit loss on cash at banks in

• Lebanon of AED 21,301 thousand.

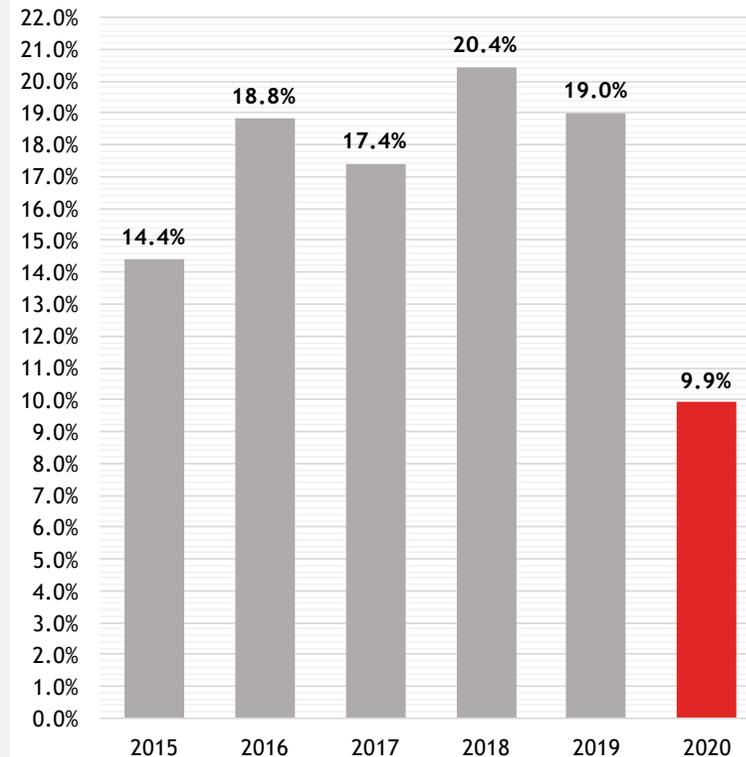
EBITDA Margin (%)



Net Profit Margin (%)



Return on Equity (%)

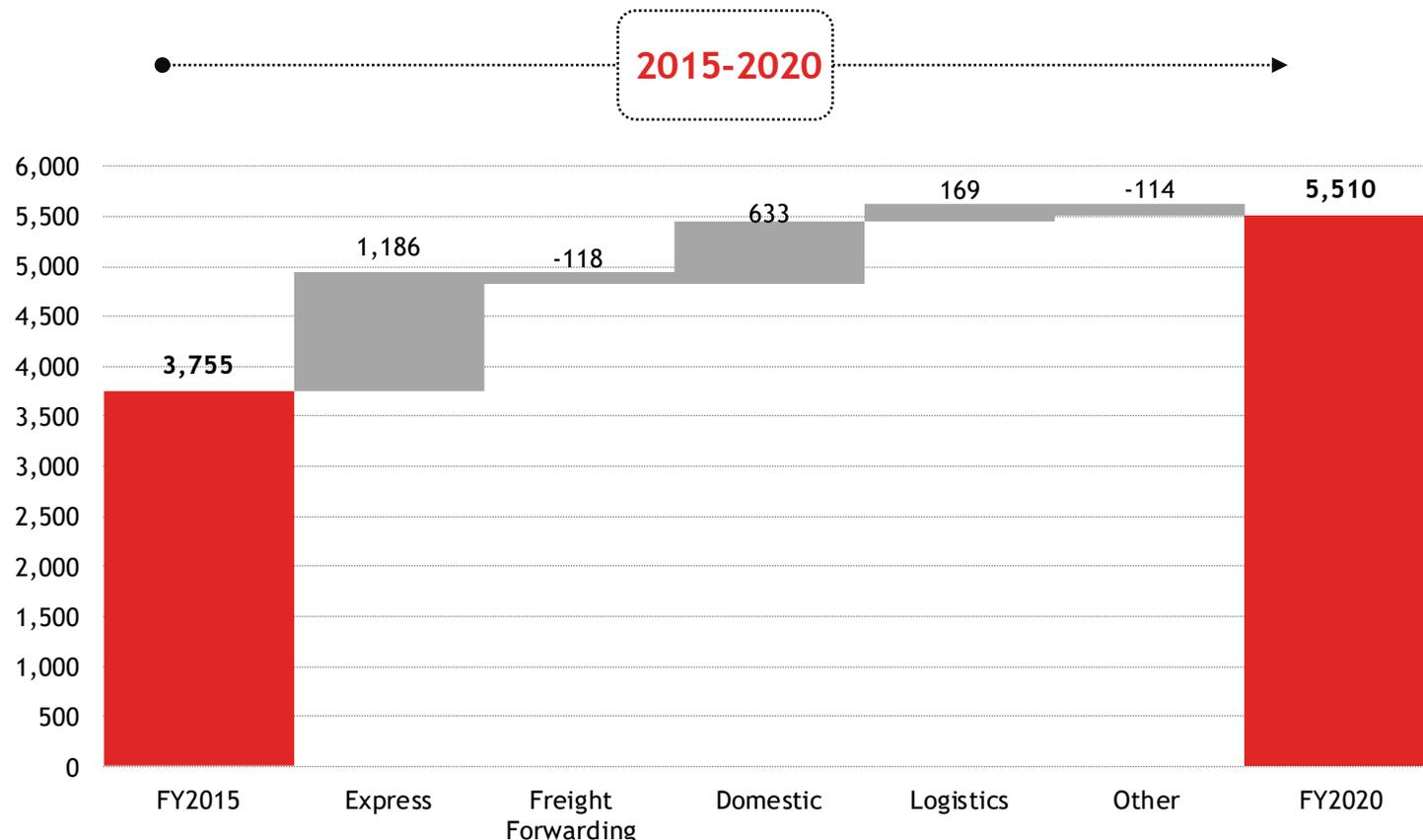


Excluding the fire incident related provisions in Lebanon & Morocco and expected credit loss on cash at bank in Lebanon
 EBITDA margin for 2020 would have been 15.5%, Net Profit Margin would have been 6.9%, and Return on Equity would have been 14%

Contribution by Business (AED m)

Growth story since 2015

CAGR Express	13.2%
CAGR Freight Forwarding	-2.1%
CAGR Domestic	13.3%
CAGR Logistics	12.7%
CAGR Other	-12.8%

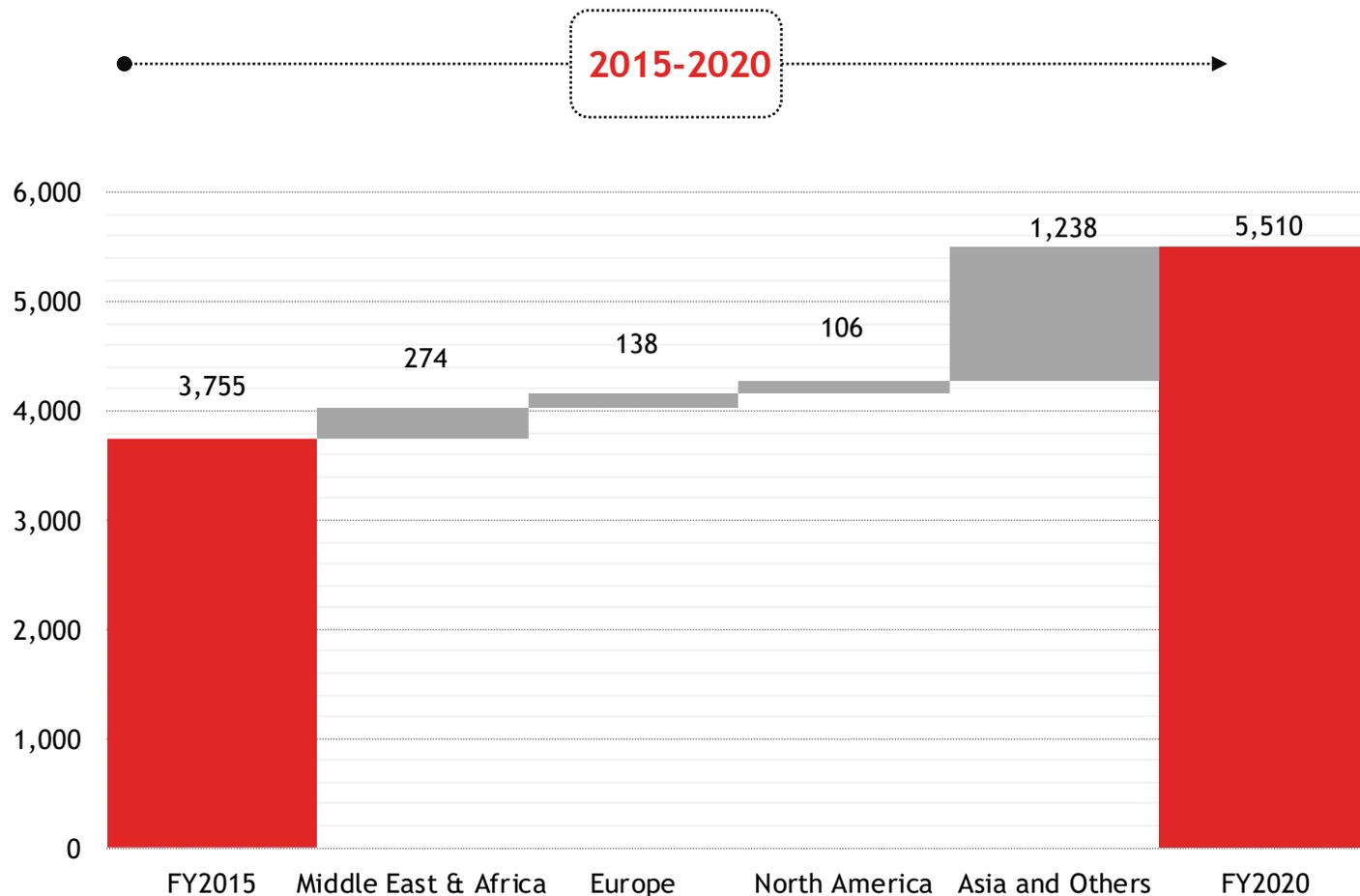


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Contribution by Geography (AED m)

Growth story since 2015

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



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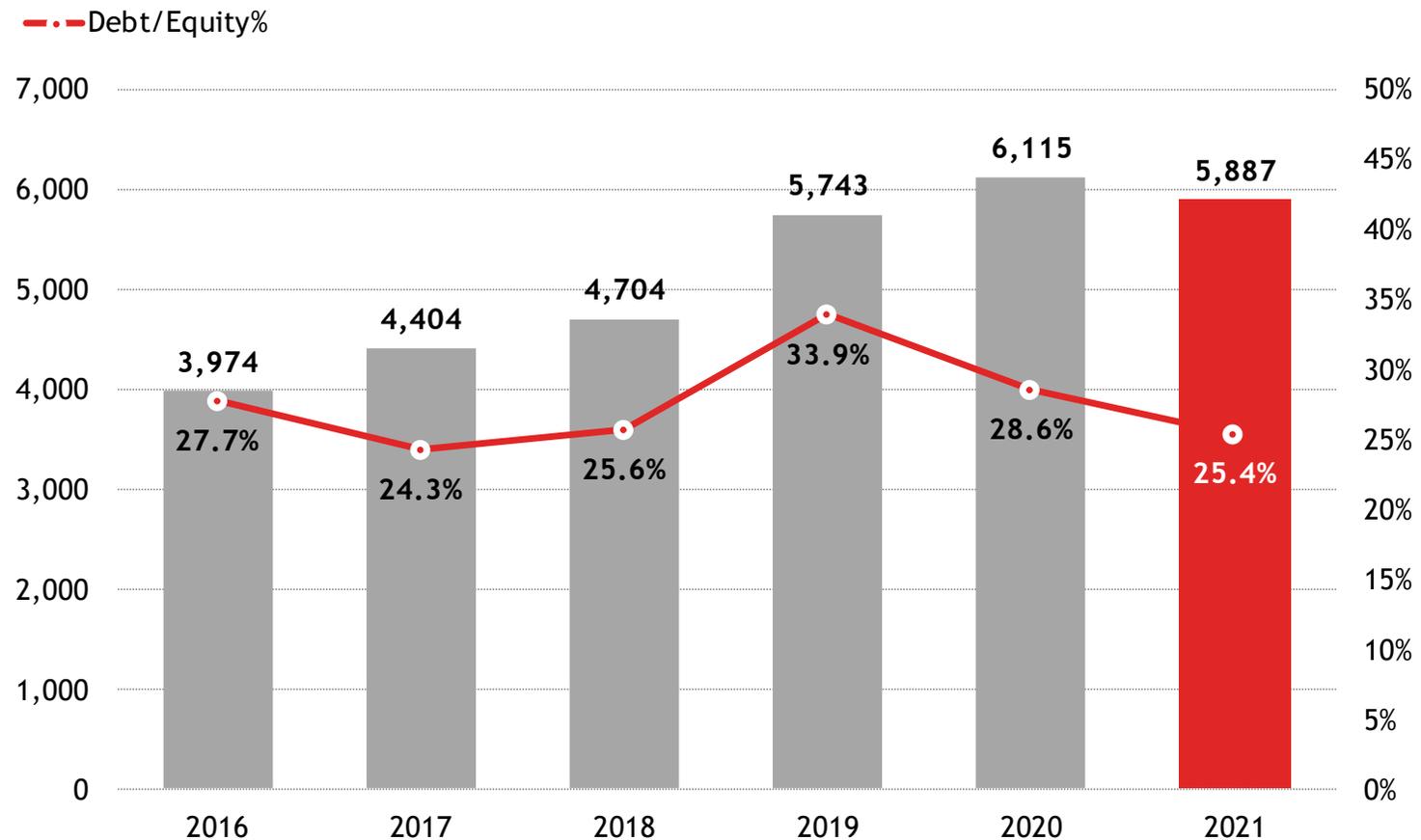
Total Assets (AED m)

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 25.4% as of 31 Mar 2021



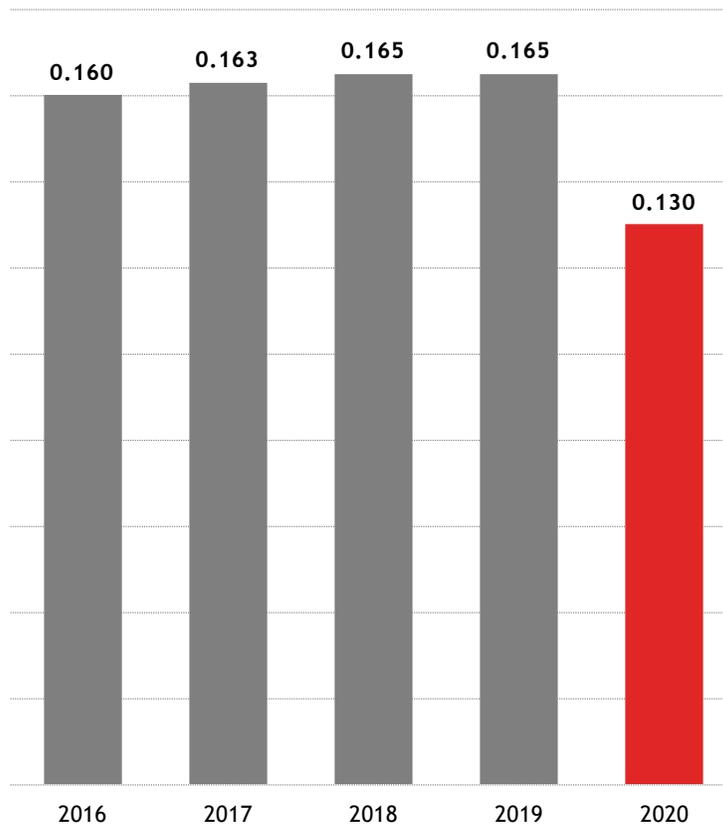
*Debt for this purpose consists of interest-bearing short & long term liabilities

Dividends

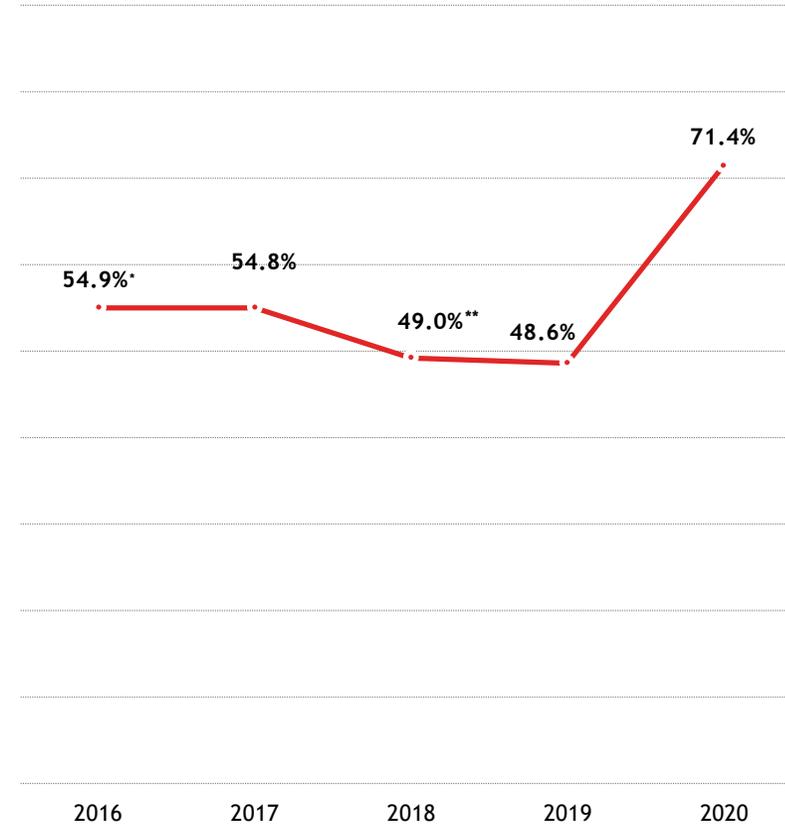
Dividend proposal of AED 0.130 per share was approved by the shareholders at AGM on 21st April 2021

Gross dividend yield: 4.8%

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%.

Performance (Jan 2015 - Mar 2021)

Share price change: **28.43%**

Annualized return: **4.39%**

Total return
(dividends reinvested): **4.81%**

Total Return

33.50%

8.90%

3.77%

-2.19%

29.00%



Management Outlook



Grow the Business

Focus on innovation and technology

Grow eCommerce Portfolio

Organic growth plus acquisitions

Attractive growth markets

Consistent Profitability

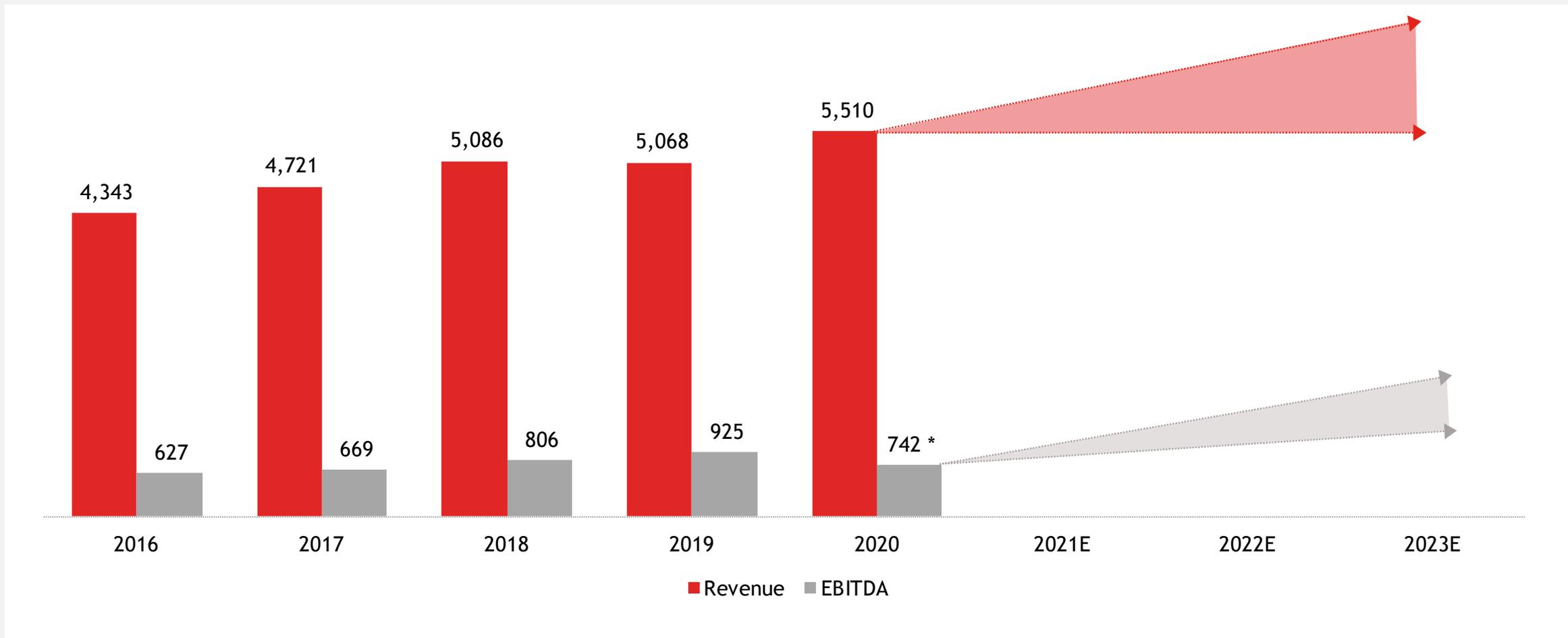
Focus on operational excellence

Variabilization of cost structure

Actively manage FX volatility

Shareholder Participation

Continue with our progressive dividend policy



* 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



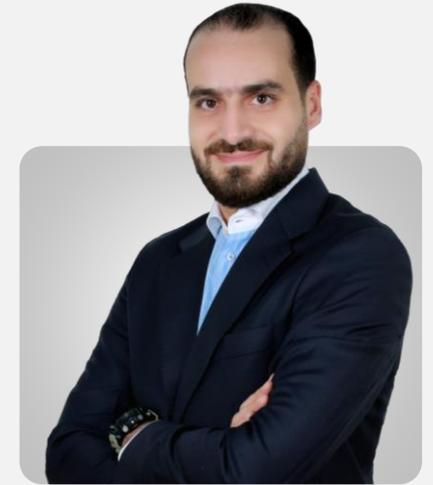
Arun Singh
Acting CFO &
Corporate
Treasurer



Anas Hijjawi
CCO



Thomas Kipp
COO



Mohammad Al Qassem
Investor Relations

Investor Relations:
InvestorRelations@aramex.com
Tel +971 4 211 8464
P.O. Box
Dubai - UAE
aramex.com/investors