

aramex

INVESTOR PRESENTATION

Q4 & FY 2022 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 Year 2022
3. FY & Q4 2022 Product Breakdown
4. FY & Q4 2022 Group Financial Results

16,000+

Employees



65+

Countries

+600

Offices

USD 1.61 B

Revenues 2022

USD 1.40 B

Market Cap on 30 December 2022



International Express

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



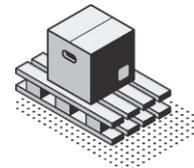
Freight Forwarding

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.

NORTH AMERICA

United States of America
Canada

EU
Czech Republic
Ireland
Netherlands
United Kingdom

MENAT

Algeria
Egypt
Georgia
Iran
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

~63% of Revenue

~36% 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.

An aerial photograph of a desert landscape, showing a winding road and a red Aramex truck. The truck is positioned in the upper center of the frame, facing away from the viewer. The landscape is characterized by orange and brown tones, with some green vegetation and a river or stream visible in the upper left. The Aramex logo is visible on the side of the truck and in the top right corner of the image.

aramex

IN THE MIDDLE EAST OF IT ALL

AN ARAMEX DOCUMENTARY | 40 YEARS OF OPERATIONS

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

FY & Q4 2022 Key Highlights

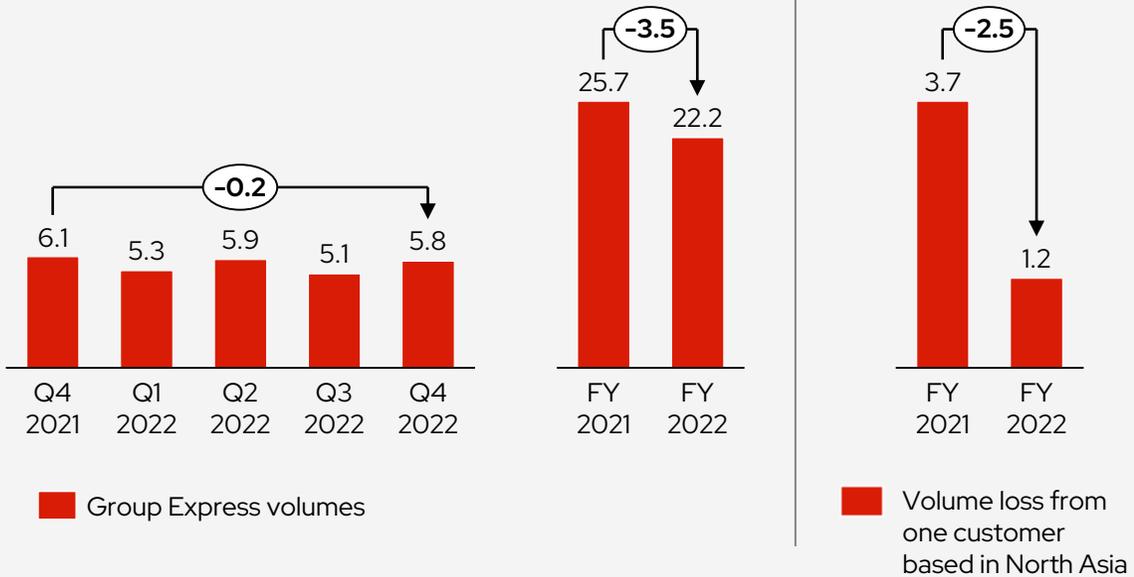


1. Stabilisation of GP Margins for the Express and Domestic products and significant improvement in GP margins for the Freight Forwarding and Logistics products, delivered a stable Group GP Margin
2. Continued focus on revenue quality and diversification
3. Closed the largest acquisition to date, with MyUS complementing and strengthening Aramex's parcel forwarding business Shop n Ship
4. A stronger business than ever before: four clearly defined products, with dedicated capabilities and systems; a strong brand with competitive advantage, benefitting from good economic indicators in key home markets
5. Board recommendation for a dividend payout of 84.4% of 2022 net profit to be presented to shareholders for approval at the AGM in April 2023

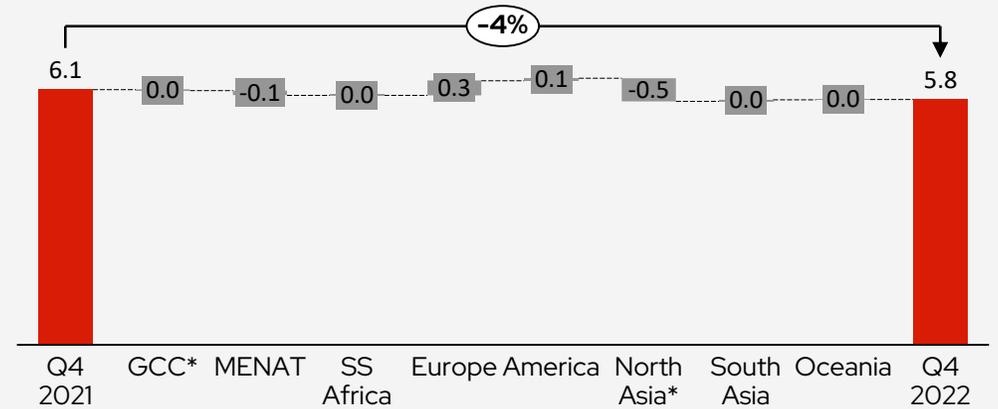
Product Breakdown



International Express Volumes (in million of shipments)



Geographic contributions to int'l express volumes in Q4 2022



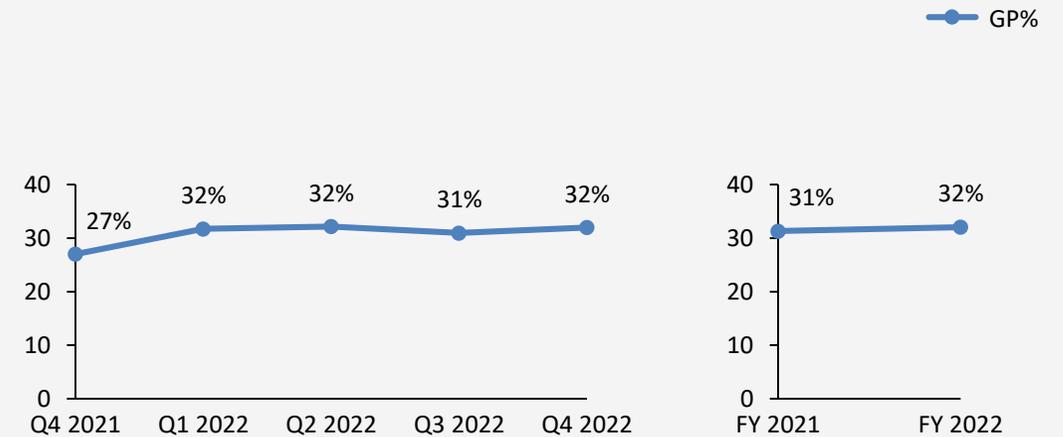
*Volume decline was significantly impacted by a single customer loss; impacting total Group volumes

Quarter and FY Financials (in USD thousands)

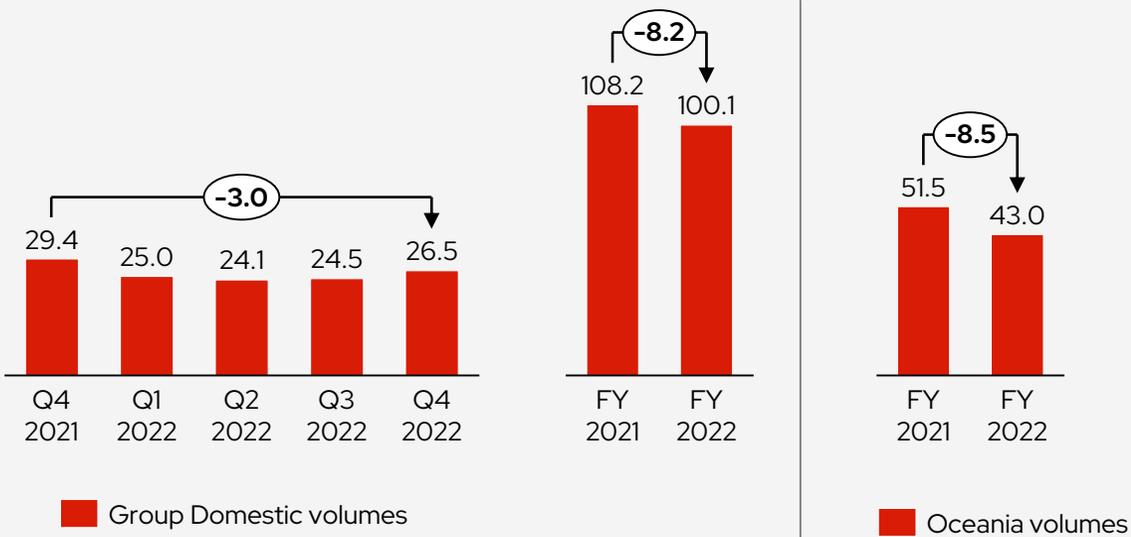
	Q4 2022	Q4 2021	Change
Revenue	165,427	183,302	(10%)
Total Direct Cost	112,604	133,055	(15%)
Gross Profit	52,823	50,247	5%
GP%	32%	27%	

	FY 2022	FY 2021	Change
Revenue	612,341	724,869	(16%)
Total Direct Cost	418,111	502,434	(17%)
Gross Profit	194,230	222,435	(13%)
GP%	32%	31%	

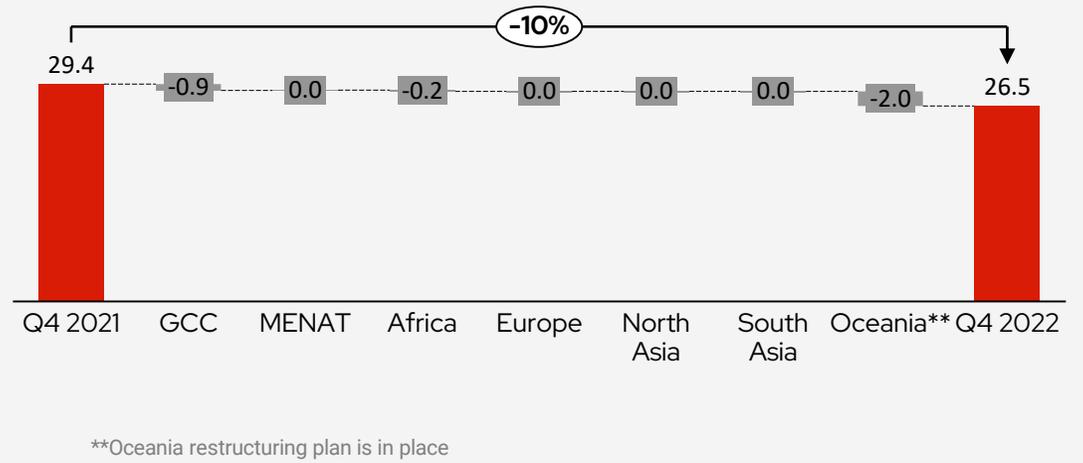
International Express Margins



Quarterly and FY Domestic Volumes (in million of shipments)



Geographic contributions to domestic volumes in Q4 2022

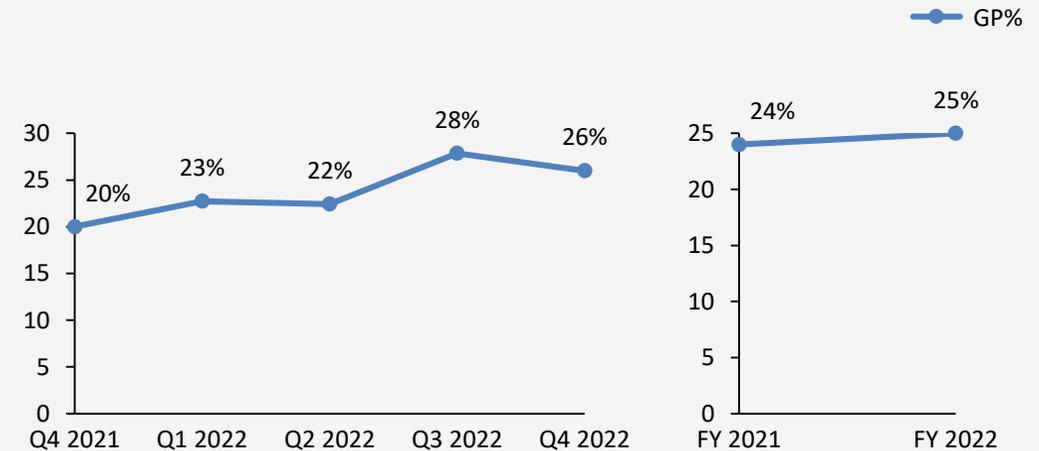


Quarter and FY Financials (in USD thousands)

	Q4 2022	Q4 2021	Change
Revenue*	104,079	115,438	(10%)
Total Direct Cost	77,506	92,305	(16%)
Gross Profit	26,573	23,133	15%
GP%	26%	20%	

	FY 2022	FY 2021	Change
Revenue*	408,756	437,721	(7%)
Total Direct Cost	307,385	332,855	(8%)
Gross Profit	101,370	104,867	(3%)
GP%	25%	24%	

Domestic Courier Margins



*Domestic Express Revenues were positively impacted by the reclassification of the “Other” Revenues. Other Revenues included, among others, Royalty and Franchisee revenues which are directly related to the Courier Business. The reclassification took place as management believes these revenues are directly attributable to the Courier Business and must therefore be reflected under Courier Revenues. The reclassification was applied to Q4 2022 and FY 2022 and the respective comparative periods Q4 2021 and FY 2021

Financial & Performance Highlights | Courier Services (consolidated Domestic and International Express)

Quarter Financials (in USD thousands)

	Q4 2022	Q4 2021	Change
Revenue	269,507	298,740	(10%)
Total Direct Cost	190,110	225,361	(16%)
Gross Profit	79,396	73,380	8%
GP%	29%	25%	
EBIT	8,633	10,178	(15%)
EBIT%	3%	3%	
EBITDA	25,757	26,555	(3%)
EBITDA%	10%	9%	

Courier Margins

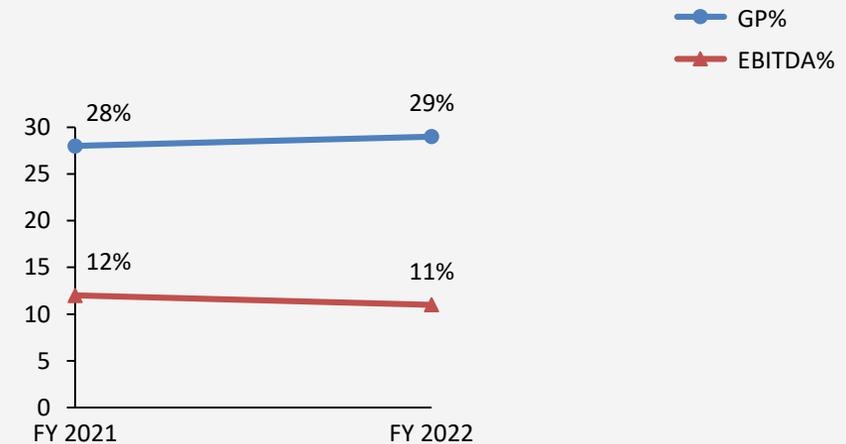


Financial & Performance Highlights | Courier Services (consolidated Domestic and International Express)

FY Financials (in USD thousands)

	FY 2022	FY 2021	Change
Revenue	1,021,097	1,162,590	(12%)
Total Direct Cost	725,497	835,289	(13%)
Gross Profit	295,600	327,302	(10%)
GP%	29%	28%	
EBIT	39,320	68,677	(43%)
EBIT%	4%	6%	
EBITDA	107,399	136,771	(21%)
EBITDA%	11%	12%	

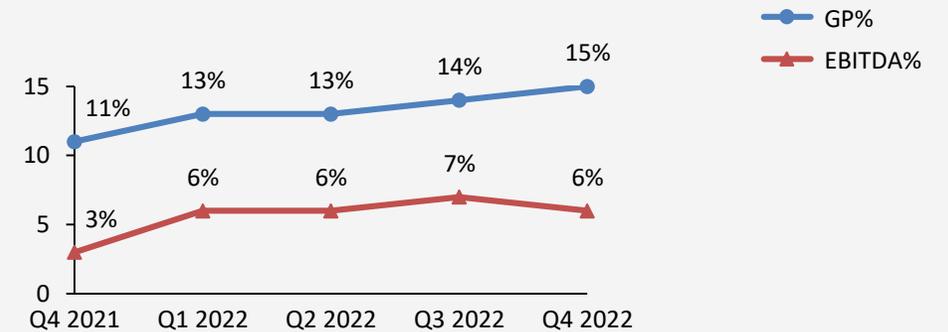
Courier Margins



Quarter Financials (in USD thousands)

	Q4 2022	Q4 2021	Change
Revenue	114,715	106,376	8%
Total Direct Cost	97,844	94,156	4%
Gross Profit	16,871	12,220	38%
GP%	15%	11%	
EBIT	4,449	1,126	295%
EBIT%	4%	1%	
EBITDA	6,384	3,126	104%
EBITDA%	6%	3%	

Freight Margins and Volumes*



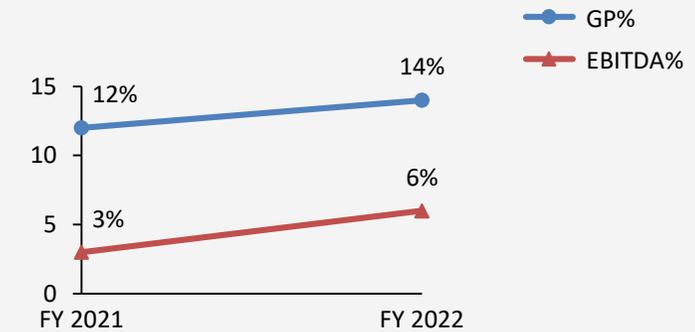
	Q4 2022	Q4 2021	Change
Land freight (FTL)	7,616	7,680	-1%
Land Freight (LTL KGs)	38,871,375	40,009,071	-3%
Sea Freight (FCL TEU)	8,392	7,815	7%
Sea Freight (LCL CBM)	4,509	9,690	-53%
Air Freight (KGs)	11,579,801	11,950,161	-3%

*Freight Volumes were updated as per the new data system implementation across the network which improves data quality. The impact is mainly on land freight LTL absolute numbers.

FY Financials (in USD thousands)

	FY 2022	FY 2021	Change
Revenue	458,633	360,930	27%
Total Direct Cost	395,273	319,032	24%
Gross Profit	63,360	41,898	51%
GP%	14%	12%	
EBIT	19,568	3,750	422%
EBIT%	4%	1%	
EBITDA	27,533	11,756	134%
EBITDA%	6%	3%	

Freight Margins and Volumes*



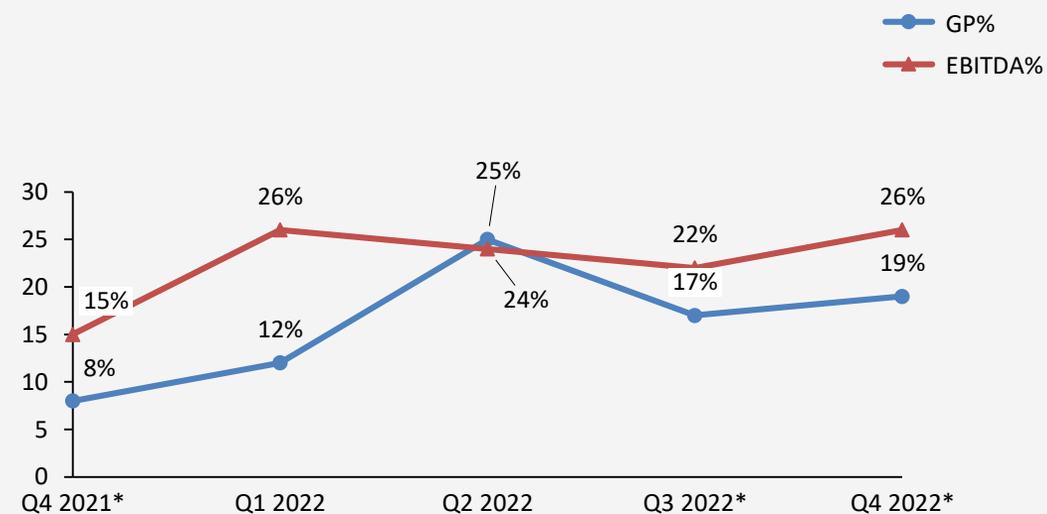
	FY 2022	FY 2021	Change
Land freight (FTL)	29,036	25,862	12%
Land Freight (LTL KGs)	153,489,529	151,795,648	1%
Sea Freight (FCL TEU)	31,133	34,783	-10%
Sea Freight (LCL CBM)	18,526	38,755	-52%
Air Freight (KGs)	52,525,834	46,832,172	12%

*Freight Volumes were updated as per the new data system implementation across the network which improves data quality. The impact is mainly on land freight LTL absolute numbers.

Quarter Financials (in USD thousands)

	Q4 2022	Q4 2021	Change
Revenue	30,213	30,773	(2%)
Total Direct Cost	24,561	28,271	(13%)
Gross Profit*	5,652	2,502	126%
GP*%	19%	8%	
EBIT*	1,751	(1,599)	210%
EBIT*%	6%	(5%)	
EBITDA*	7,747	4,485	73%
EBITDA*%	26%	15%	

Logistics Margins

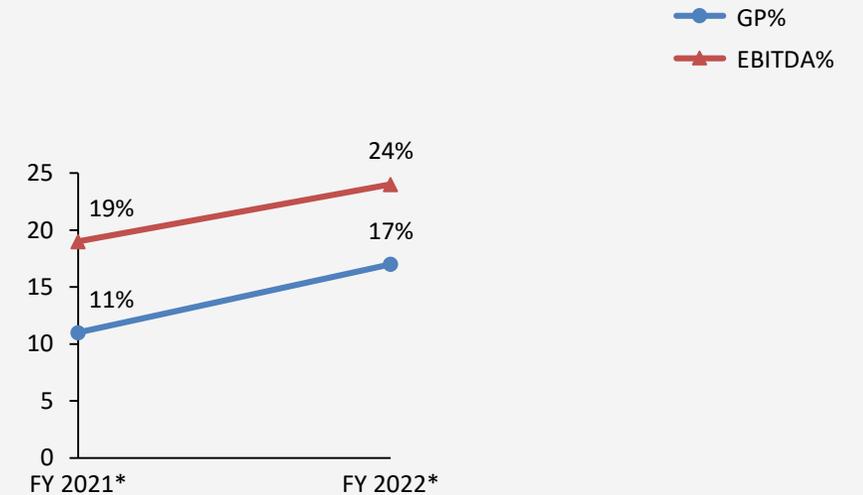


*GP, EBIT and EBITDA have been normalized to show the business performance for the logistics product, isolating the impact incurred from repositioning the logistics product to focus on quality revenue, a process which concluded in Q4 2022. The reported figures are included in the IR Data Book, alongside the normalizations.

FY Financials (in USD thousands)

	FY 2022	FY 2021	Change
Revenue	121,248	118,406	2%
Total Direct Cost	100,214	105,390	(5%)
Gross Profit*	21,034	13,016	62%
GP*%	17%	11%	
EBIT*	4,754	(1,648)	388%
EBIT*%	4%	(1%)	
EBITDA*	28,710	22,314	29%
EBITDA*%	24%	19%	

Logistics Margins

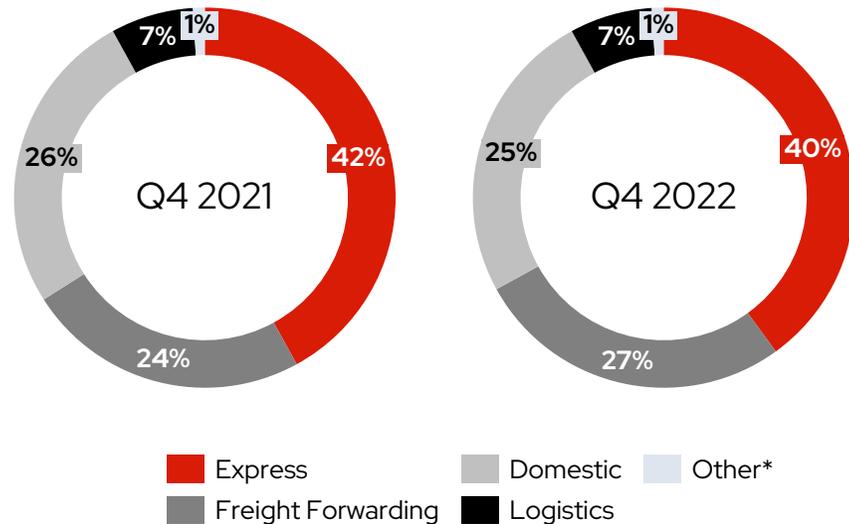


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Group Financial Results



Revenues by Segment (USD m)

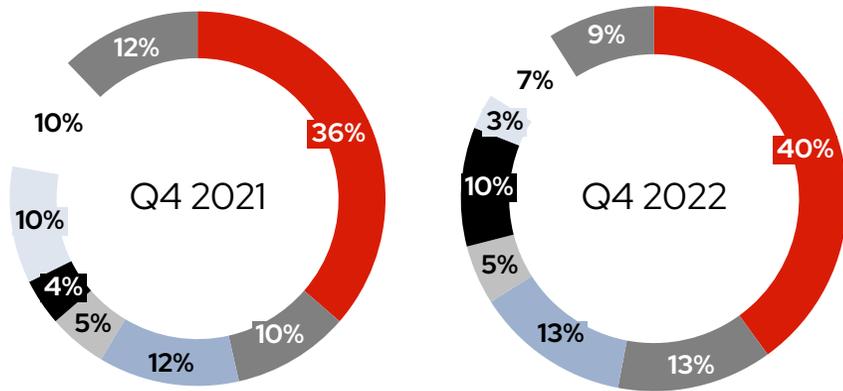


*Domestic Express Revenues were positively impacted by the reclassification of the “Other” Revenues. Other Revenues included, among others, Royalty and Franchisee revenues which are directly related to the Courier Business. The reclassification took place as management believes these revenues are directly attributable to the Courier Business and must therefore be reflected under Courier Revenues.

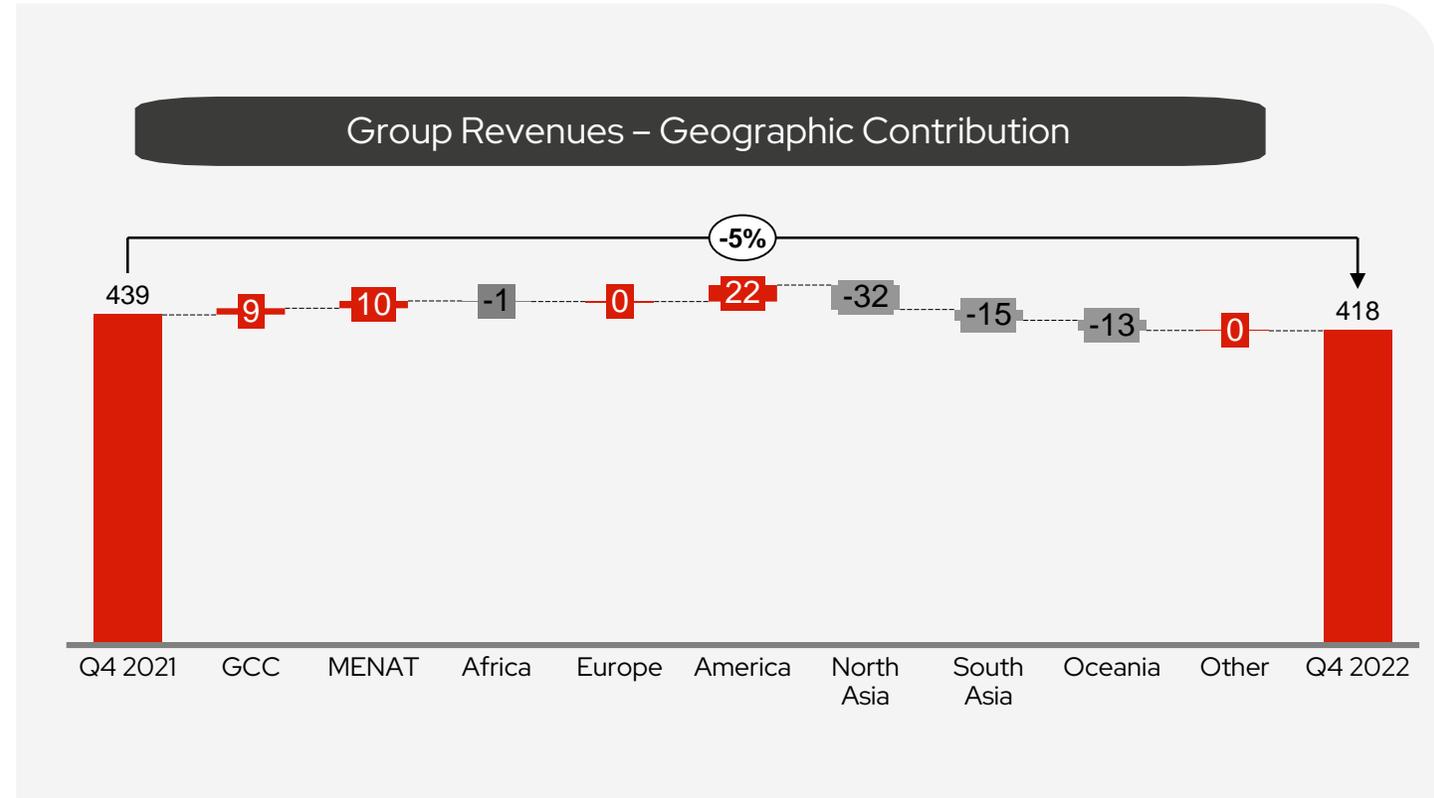
There is no impact on the condensed interim consolidated statement of profit or loss as a result of this change. The reclassification was done in Aug YTD 2022 and part of the revenue from the “others” segment from August YTD was allocated to Domestic in Q3 2022 and Q4 2022 and for the respective periods Q3 2021 and Q4 2021.

Financial & Performance Highlights | Strong performance in GCC markets; 40% of total revenues

Revenues by Geography (USD m)



- GCC
- MENAT
- Europe
- SS Africa
- America
- North Asia
- South Asia
- Oceania



Regions (in USD millions)

	GCC	
Rev & Ctrb	165,189	40%
Rev Grth	8,693	6%
GP	35,848	17%
Volumes	9,673,943	(8%)

	MENAT	
Rev & Ctrb	52,977	13%
Rev Grth	9,783	23%
GP	15,030	152%
Volumes	5,009,229	(1%)

	Europe	
Rev & Ctrb	53,172	13%
Rev Grth	84	0%
GP	7,413	(22%)
Volumes	1,617,703	27%

	America	
Rev & Ctrb	41,280	10%
Rev Grth	22,048	115%
GP	12,924	283%
Volumes	1,245,508	4%

	SS Africa	
Rev & Ctrb	22,746	5%
Rev Grth	(1,227)	(5%)
GP	7,152	6%
Volumes	1,562,280	(9%)

	North Asia	
Rev & Ctrb	13,599	3%
Rev Grth	(32,453)	(70%)
GP	3,765	(47%)
Volumes	257,940	(68%)

	South Asia	
Rev & Ctrb	29,367	7%
Rev Grth	(14,539)	(33%)
GP	5,839	18%
Volumes	1,074,293	2%

	Oceania	
Rev & Ctrb	37,372	9%
Rev Grth	(13,334)	(26%)
GP	8,668	(8%)
Volumes	11,847,614	(14%)

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

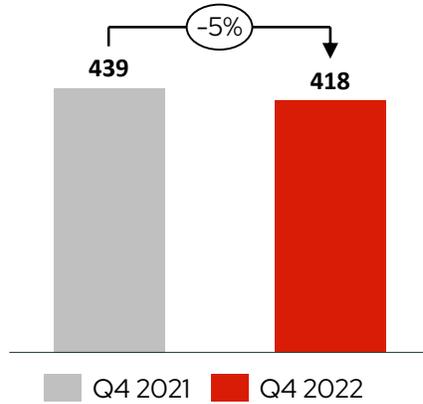
Ctrb refers to regional revenue contribution to total group revenues.

Volumes: includes volumes from International Express & SnS and Domestic Courier; all volume numbers are actuals

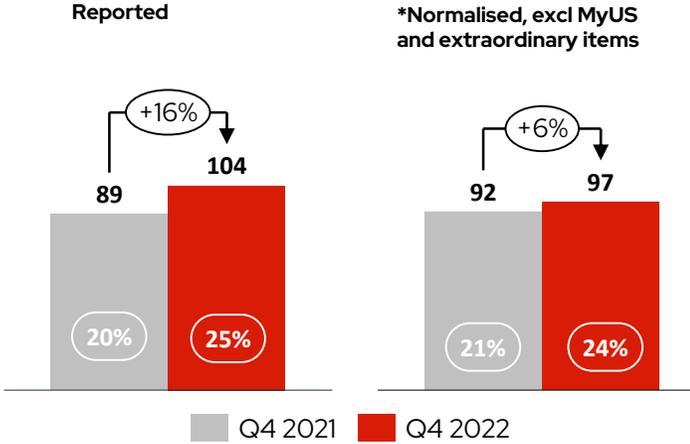
Financial & Performance Highlights | Group Highlights Q4 & FY 2022

QUARTER

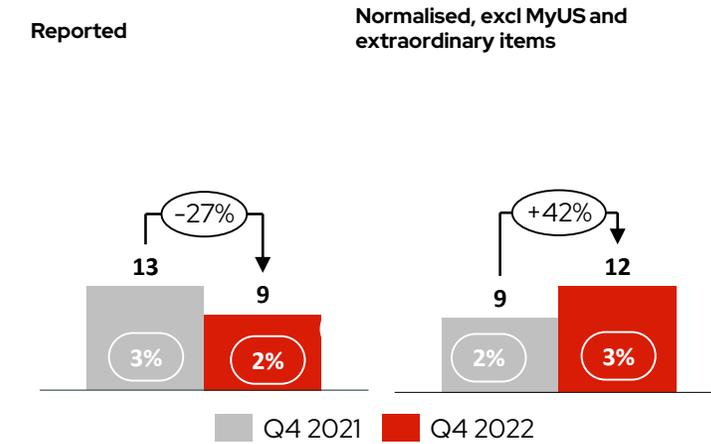
Revenue (USD m)



Gross Profit (USD m)

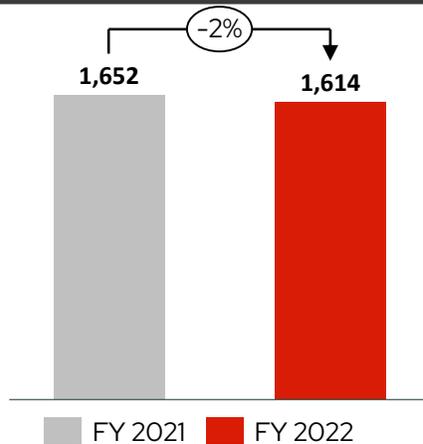


Net Profit (USD m)

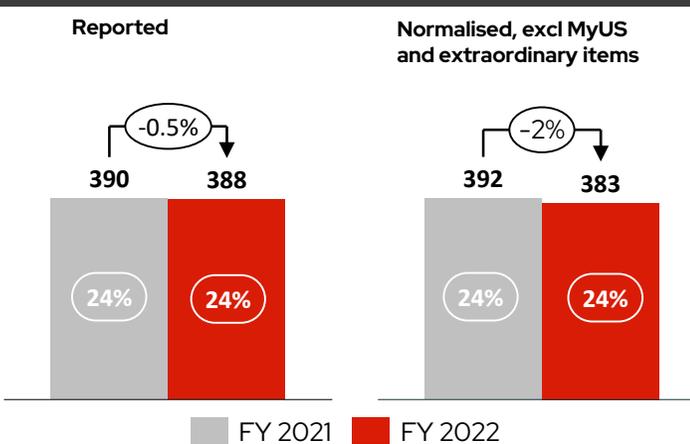


YEAR

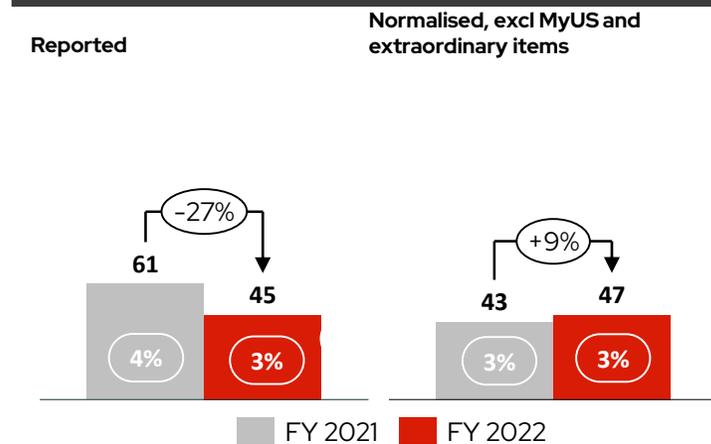
Revenue (USD m)



Gross Profit (USD m)



Net Profit (USD m)



X% Represents Margin in % of Revenue

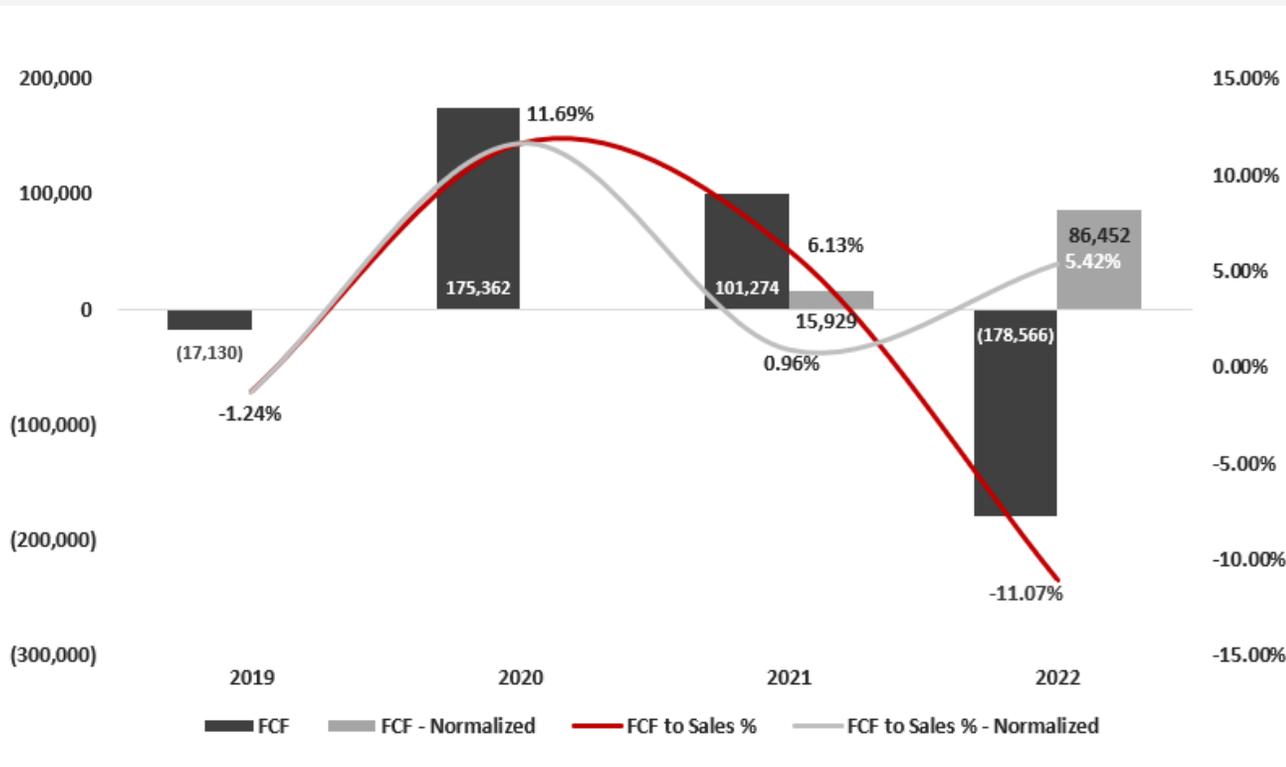
*Please check page 27 for details on normalisations

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

Balance Sheet Highlights (in USD thousands)

	31 Dec 2021	31 Dec 2022	Change	Movement	Change %
Current assets	621,514	594,401	(27,113)		-4%
Assets held for sale	2,900	1,789	(1,111)		-38%
Non-current assets	845,920	1,062,718	216,798		26%
Total assets	1,470,334	1,658,908	188,574		13%
Current liabilities	440,564	412,500	(28,065)		-6%
Liabilities held for sale	1,227	1,336	109		9%
Non-current liabilities	299,906	559,349	259,443		86%
Total liabilities	741,697	973,185	231,488		31%
Non-controlling interest equity	2,945	2,414	(532)		-18%
Equity Attributable to equity holders	725,692	683,310	(42,382)		-6%
Total equity	728,637	685,724	(42,913)		-6%

FCF Evolution



- Free Cash Flow in 2022 includes the consideration paid for the acquisition of MyUS
- Normalised Free Cash Flow was \$86,452m in 2022, representing 5.42% of sales and indicating the start of a good recovery compared to 2021
- Normalizations applied to FCF include the MyUS acquisition cash outflow, and certain 2021 non-recurring items including the proceeds from the sale of InfoFort
- The improvement in Normalized Free Cash Flow in 2022 compared to 2021 is attributed to the improvement in collections and DSO days; non-recurring items recognised in 2021 and pertaining to 2020; and a drop in CAPEX in 2022 compared to 2021

Financial Ratios

	Q4 2022	Q4 2021	FY 2022	FY 2021
Gross Profit Margin	24.8%	20.3%	24.0%	23.6%
<i>Normalised Gross Profit Margin</i>	24.3%	20.9%	24.0%	23.7%
EBIT Margin	3.6%	3.6%	4.1%	5.0%
<i>Normalised EBIT Margin</i>	4.8%	2.7%	4.8%	4.4%
EBITDA Margin	9.7%	9.3%	10.4%	11.1%
Normalised EBITDA Margin	10.9%	8.4%	11.0%	10.5%
Net Profit Margin	2.2%	2.9%	2.8%	3.7%
<i>Normalised Net Profit Margin</i>	3.1%	2.0%	3.0%	2.6%
Net Debt TO EBITDA			2.32x	0.72x
Net Debt to EBITDA (Excluding IFRS 16)			1.52x	(1.20)x

2022 financials were normalized to exclude the financials results generated by MyUS; costs and fees related to the acquisition of MyUS; and other extraordinary items mostly associated with the logistics product. For 2021, financials were normalized to exclude the gain from the sale of InfoFort and other extraordinary items. This normalization provides a like for like comparison for the reporting periods Q4 & FY 2022 to Q4 & FY 2021.

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