

## **Aramex Revenues Rise 4% in Q2 2019**

E-commerce spurs volume growth while business transformation accelerates

- *Q2 2019 Revenues increased 4% to AED 1,279 million*
- *Q2 2019 Net Profit rose 1% to AED 123 million*
- *First Half 2019 Revenues grew 4% to AED 2,512 million*
- *First Half 2019 Net Profit increased 2% to AED 231 million*
- *Express volumes in Q2 2019 grew by 20% and Domestic E-commerce volumes jumped 42% in core markets*

**Dubai, UAE – Wednesday, 31 July 2019:** Aramex (DFM: ARMX), a leading global provider of comprehensive logistics and transportation solutions, today announces its financial results for Second Quarter and First Half ended 30 June 2019.

Aramex's Q2 2019 Revenues grew by 4% to AED 1,279 million, compared to AED 1,232 million in Q2 2018. Revenues would have grown by 7% excluding the impact from currency fluctuations, mainly in the South African Rand and Australian Dollar, as well as the company's strategic restructuring of its operations in India through exiting the Domestic Express market. Aramex's Revenues in the First Half of 2019 grew by 4% to AED 2,512 million, compared to AED 2,422 million for the same period of 2018. Excluding the impact from currency fluctuations and the strategic restructuring of its operations in India, First Half 2019 Revenues would have grown by 7%.

Net Profit for the second quarter 2019 rose by 1% to reach AED 123 million, compared to AED 122 million in Q2 2018. Net profit was negatively impacted by the amount of AED 8.4 million due to the implementation of IFRS16 related to accounting for leases. Excluding that impact, Q2 2019 Net Profit would have grown by 8%. Aramex's Net Profit in the First Half of 2019 grew by 2% to AED 231 million, compared to AED 226 million for the same period of 2018. Excluding IFRS16 impact of AED 14.3 million, First Half 2019 Net Profit would have grown by 9%.

**Commenting on the results, Bashar Obeid, Chief Executive Officer of Aramex, said:**

“Strong demand from e-commerce continues to spur growth in volumes we handled over the second quarter. Our Domestic Express registered outstanding performance and International Express also enjoyed double digit growth. This is a testament to our strong brand, efficient services and increasingly competitive positioning. However, lower yields, mainly on the cross-border International Express business and changes in fulfillment models, moderated our top line figures and profitability. Freight-Forwarding business performance came below expectations as it was affected by the regional economic uncertainty, however, today our efforts continue to be focused on commercial restructuring, which will enable us to grow that

business line over the long term. Our Integrated Logistics and Supply Chain Management business had another great quarter, as a result of our efforts to capitalize on the growing demand for those services, especially from regional retailers wanting to tap omni-channel sales.

We remain firmly committed to our strategic business transformation, which includes digital, commercial and operational upgrades to cater to the shifting operating environment and to retain and grow market share across different business lines. While such major changes pushed operating expenses for the period, over the long term, we are very positive that our transformation will help us improve our margins and help us further diversify our revenue mix.”

**Iyad Kamal, Chief Operating Officer at Aramex, added:**

“Volumes growth was very encouraging in the second quarter, with Domestic Express volumes surging 42% in core markets, especially in the GCC and Levant region. The solid growth was owed to higher demand from e-commerce, the upgrade of our services and expansion of operations in some of our core markets, including Saudi Arabia, UAE and Egypt. Overall, Express volumes expanded by 20%, thanks to winning new international e-tailers and receiving increased orders from existing ones. Also, in Q2 2019, we accelerated our digital transformation efforts. Today Aramex is leaner and more operationally efficient than ever before. We are implementing technologies that will help reduce transit times and improve delivery accuracy, which will ultimately help us win more new business and enhance operating efficiencies.”

**Q2 2019 Performance:**

Aramex's cross-border **International Express** business grew by 11% to AED 586 million. Express volumes grew by 20% in Q2 2019, yet lower yields impacted margins.

The **Domestic Express** business decreased by 2% to AED 257 million, mostly impacted by the strategic restructuring in India and fluctuations in foreign currency. Excluding those factors, the Domestic Express would have grown by 7%, whereas Aramex’s core markets recorded strong double-digit growth.

**Freight-Forwarding** decreased by 6% to AED 277 million, as it continues to be affected by the regional economic uncertainty.

The **Integrated Logistics & Supply Chain Solutions** business enjoyed robust growth of 17% to AED 85 million, owed in large part to Aramex’s efforts to service the major regional retailers’ strong appetite to tap online sales. This led to strong demand for warehousing, sorting, and last mile delivery solutions.

**Commenting on Aramex’s outlook for the remainder of 2019, Bashar Obeid said:**

“For the rest of the year, we forecast global e-commerce volumes to continue to positively contribute to top line growth, while lower yields will constrain margins and profitability. However, we will carry on boosting our investments in last-mile delivery solutions and

enhancing our service levels on the ground to ensure Aramex maintains and grows its market share in the Express business. The strategic initiatives to transform our business into a technology-driven enterprise and uplift operational efficiencies will also support our growth. As for the B2B business, we are strategically committed to expanding our commercial capabilities and operations, both in Freight-Forwarding and Integrated Logistics and Supply Chain Management; businesses we believe will contribute favorably to our revenue mix.”

- Ends -

**About Aramex:**

Aramex (DFM: ARMX) is a leading global provider of comprehensive logistics and transportation solutions. Established in 1982 as an express operator, the company rapidly evolved into a global brand recognized for its customized services and innovative multi-product offering. The company was the first Arab-based organization to be traded on NASDAQ stock exchange (1997-2002), and today, Aramex is a publicly traded company on the Dubai Financial Market, employing more than 15,500 people in over 600 locations across more than 65 countries. It leads a strong alliance network providing global presence, and bringing together 40 independent express companies from around the world. The range of services offered by Aramex includes International and Domestic Express Delivery, Freight-Forwarding, Integrated Logistics Solutions & Supply Chain Management, Secure Records and Information Management Solutions, and e-Commerce Solutions including Shop and Ship.

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