

Aramex Net Profit Rises 4% in Q1 2019

- *Q1 2019 Net Profit increased by 4% to AED 108 million over Q1 2018*
- *Q1 2019 Revenues increased by 4% to AED 1,234 million compared to Q1 2018*
- *Cross-border International Express volumes increased by 22%, while margins declined by 2.2% in Q1 2019, compared to the corresponding quarter a year earlier*
- *Integrated Logistics & Supply Chain Solutions Revenues surged by 23%*

Dubai, UAE – Wednesday, 1st May 2019: Aramex (DFM: ARMX), a leading global provider of comprehensive logistics and transportation solutions, today announces its financial results for first quarter ended 31 March 2019.

Aramex's Q1 2019 Revenues grew by 4% to AED 1,234 million, compared to AED 1,190 million in Q1 2018. Revenues would have grown by 8% excluding the impact from currency fluctuations, mainly in the Libyan Dinar, South African Rand and Australian Dollar; and the company's strategic restructuring of its domestic operations in India.

Net Profit for the quarter rose by 4% to reach AED 108 million, compared to AED 103 million in Q1 2018. Net profit was negatively impacted by the amount of AED 10.6 million due to the implementation of IFRS16 and currency fluctuations. However, Aramex's strategic restructuring of domestic operations in India delivered a positive contribution of AED 6.7 million to net income. Excluding those impacts, the bottom line would have grown by 8%.

Commenting on the results, Bashar Obeid, Chief Executive Officer of Aramex, said: "We continue to benefit from the healthy growth in global e-commerce volumes; however, we have started witnessing pressure on International Express margins due to lower and more competitive pricing. Our key priorities for this year are to continue to invest in upgrading our service level across all our core markets, while progressing aggressively in executing our digital transformation roadmap. This will help us boost operational efficiencies to cater for rapidly changing e-commerce business requirements, including faster shipping and delivery solutions at lower costs.

Our Integrated Logistics and Supply Chain Management business had a great quarter, thanks to our efforts to mobilize assets and resources to capitalize on the increase in demand for those services, especially from regional retailers aiming to boost their online sales."

Iyad Kamal, Chief Operating Officer at Aramex, added: "In Q1 2019, we continued to improve operating efficiencies and accelerated our digital transformation efforts in order to enhance service levels, especially in the last-mile delivery. These initiatives will help us win in the long-term, as we will be able to handle more capacity more efficiently and at a lower cost. Another trend that positively impacted our business this quarter was the entrance of major Middle East



retailers into the online sales space as part of an omni-channel approach, which is why we are investing in servicing this promising market. We also launched our new, partially automated fulfilment center at Dubai Logistics City, which has improved our logistics and supply chain management solutions and offering.

Our operating expenses have increased by 8% in Q1 2019 following the expansion of our infrastructure in key markets like Saudi Arabia. Today, we have more than 150 pick-up points across Saudi Arabia with aggressive plans to further expand our presence, in an effort to make it as convenient as possible for customers to pick up their packages and ship with Aramex.”

Aramex's cross-border **International Express** business grew by 7% to AED 533 million. This performance is mainly attributed to the continuous growth in cross-border e-commerce, which registered double-digit growth across most of Aramex’s markets, mainly Turkey, Asia and North America. Shipment volumes surged by 22% in Q1 2019, yet lower margins prevailed.

The **Domestic Express** business dropped by 3% to AED 257 million, due in large part to the strategic restructuring in India and fluctuations in foreign currency, mainly in the South African Rand and Australian Dollar. Excluding those factors, the business would have grown by 7%. The e-commerce Domestic Express business performed very well in GCC markets, and registered double-digit growth especially in Saudi Arabia and the UAE.

Freight Forwarding growth stabilized at 1% to AED 287 million, with Oil & Gas segment experiencing strong double-digit growth.

The **Integrated Logistics & Supply Chain Solutions** business experienced strong growth of 23% to AED 85 million, owed in large part to Aramex’s efforts to service the major regional retailers’ strong appetite to tap into omni-channel sales model, which 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:

"We continue to maintain a positive outlook for the remainder of the year. However, the fast-changing landscape means that we will have to grow market share by being more competitive with our pricing, more efficient with our offerings and exceling at the quality of our service. We will carry on investing in automation and other technologies as part of our digital transformation roadmap to improve our operations and enhance the overall customer experience.”

“Despite lower margins, we remain confident about our Freight Forwarding business, driven by our internal restructuring efforts, the introduction of new dedicated teams and our aggressive push into new verticals. We are also optimistic about the opportunity to expand our logistics and supply chain solutions in the region,” **concluded Obeid.**

- 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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